App. F. IX-4

1934.
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Previous References

A+S 11,3-32-29.

Later References

✓

(194)

GENERAL AND REVENUE SECRETARIAT

Serial Nos. one.

Manuscript

A. Proceedings

~~Part B~~ for January 1935.

SUBJECT.

Sugar Industries, Safe guarding

Regln. IV of 1934.

21.1. To the Compiler vide P 3341 dt 5-1-35

Publishing the Regln. for the development of the Sugar Industry for safe guarding the interests of Sugarcane cultivators in pursuance of Regln. IV of 1934.

accuracy ✓

1-8

DEWAN'S MINUTE.

DEWAN'S OFFICE
1933

FILE No. 193

First Member with Compliments.

Dr Coleman & Mr Penney have been talking to me on the subject of the Sugar Cane Manufacture in the State. They are strongly of opinion that Govt should not lose time in arming themselves with legal power to ~~protect~~ Control the establishment of Sugar factories in ~~Bagpat~~ the State.

I am inclined to agree with them. The matter may, if the First Member also shares their view, be carried.

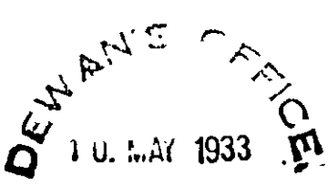
17-4-33

DEWAN'S MINUTE.

FILE No. 6514/10.5.33/192.

4564/D

V 1



CONTROL OVER THE ESTABLISHMENT OF SUGAR FACTORIES IN MYSORE.

7/5/32
10/5/33

In his letter dated 19th February 1933, Dr. Coleman suggested the need for Government taking powers to control the establishment of sugar factories in the Irwin Canal tract and in the Final Note dated 23rd February 1933 it was reported to His Highness the Maharaja that the suggestion would be examined and the action to be taken, considered after getting information in regard to the measures adopted elsewhere with the same object. The information so far obtained is that referred to in Dr. Coleman's letters dated 28th February 1933 and 24th March 1933 and the connected papers are placed in the file.

Sir Mirza M. Ismail has expressed his views on this subject in his minute dated 17th April 1933.

With an assured supply of water from the Krishnarajasagara Reservoir, the Irwin Canal tract offers good prospects for growing sugar cane and cane cultivation there is rapidly expanding. A number of factories will be required within the next few years for dealing with the cane grown in this area and their proper location is essential to its orderly agricultural development. There is sugar cane cultivation in other parts of the State as well and the area under this crop is bound to expand as cane will continue to be perhaps the best paying produce so long as the substantial protection now afforded to the sugar indus

try

industry continues and there is a large home demand for absorbing the supplies of sugar manufactured in the country. We may, therefore, expect that some sugar factories will be started in the State outside of the Irwin Canal tract also.

As a number of factories are likely to spring up in the next ~~two~~ few years, it is necessary t consider whether it is advisable to allow them to be erected according to the views of their promoters or whether some control should be exercised by Government over their establishment with the object of ensuring that the industry is organised, as far as possible, on lines which will make for its stability and for a proper co-ordination of the interests of its agricultural and manufacturing sides. The complete freedom so far allowed in Upper India for the erection of factories is reported to have led to undesirable results as stated in the following extract from the Note dated 7th January 1933 of the Secretary of the Imperial Council of Agricultural Research:-

> "It has to be admitted that the present position is unsatisfactory for several reasons. In the first place, uncertainty about adequate cane supply must act as a deterrent to the erection of factories in some of the most suitable areas. Secondly, there is little incentive for the factory owner to spend money on the improvement of cane cultivation in his neighbourhood because it is uncertain whether he will benefit from his enterprise. Thirdly, in some districts at least there has been uneconomic haulage of cane by rail and cut-throat competition between the factories especially at the beginning and end of season."

The sugar industry in Mysore is in its earliest stage and there are no vested interests as

in Upper India, which would make it difficult to apply any measures of control to regulate its development. Apart from the need for properly shaping the course of a new important industry in the public interests and for avoiding, as far as possible, the evils of unfettered competition referred to in the above extract, Government have a special interest, at any rate in the Irwin Canal tract and in other areas where water for growing cane is supplied from irrigation works constructed by Government, in seeing that cane cultivation and sugar manufacture are carried on to the best advantage. A very large sum of money has been invested on the Krishnarajasagara Works and the irrigational return from the investment on them mainly depends on growing cane and making sugar from it. It has been one of the chief objects of this project from its inception to encourage the growing of cane as the best paying crop and thanks to the recent tariff policy of the Government of India, it has become possible to fully realise this object. The active association of the Agricultural Department with the growing of cane in this and other areas will be necessary to ensure a steady improvement both in its quality and quantity. As the sugar industry is now particularly remunerative outside capitalists might think of starting factories in the State and as a matter of fact, there have already been some enquiries for particulars in regard to areas favourably situated for growing cane and making sugar from it. While it may be desirable to allow outside capital to be employed for development of local resources, it is necessary to see that the

enterprises started with the aid of such capital are administered and worked so as not to without prejudicing local interests. In view of these considerations, it is desirable that some general control should be exercised by Government in developing on proper lines the sugar industry in the State.

The measures suggested for exercising a general control over on the industry are the following:-

(1) licensing of factories;

(2) allocation of zones from which alone factories might obtain their supplies of cane;

and (3) assurance to agriculturists of reasonable prices for their cane.

A system of licensing the establishment of sugar factories and fixing the zones from which they should draw their cane supplies is in force in Java. The conditions of growing cane in Java are, however, quite different from those in India. The general arrangement in that country is for the factories to take leases of lands and grow their own cane on them Here, on the other hand, the ryots have to grow cane and sell it to factories and cases of factories growing their own cane are would be very few. A system similar to that in Java is followed in Formosa.

The question of licensing factories and allotting cane zones for them has been considered in India, but the opinion so far has been against the adoption of these measures. The Indian Sugar Committee of 1920 was, with the exception of two of its members, not in favour of it. The Indian Tariff

Board which reported on the sugar industry, did not also recommend governmental control over the erection of factories and the allocation of areas for supply of cane to them. Quite recently - in March last - the subject was considered by the Sugar Committee of the Imperial Council of Agricultural Research and in view of the divergent views expressed by t h e members, it reached no decision and thought that the' situation should be further studied before expressing any definite opinion either way. The Indian Tariff Board though generally not in favour of the system of licensing factories and alloting zones, recognised that it had its advantages and observed as follows:-

> "While it may be agreed that there are undoubted advantages which would accrue to factories by the adoption of a system of licensing coupled with the allocation of definite zones, we feel that it is not a subject on which Government would, with advantage, introduce legislation of all India application."

Competition on the part of factories to buy cane, may be good for a time for agriculturists and similarly, competition on the part of agriculturists to sell cane may be good for a time for factories, but unfettered competition is, in the long run, good for neither. In actual practice, competition would be largely qualified by the relative positions of factories and cane-fields and by the need for saving haulage of cane over unnecessarily long distances. How many factories should be established in a particular tract and where they should be erected, are matters of vital importance to the interests of both agriculture and manufacture and it is desirable that a disinterested authority like Government, should have the power to prevent the overcrowding of

factories with all its evil consequences. The location of factories should not be left to be decided by the narrow and selfish interests of their promoters, but should be determined with reference to the interests of the industry as a whole and it should therefore be made obligatory to obtain licenses from Government for establishing factories.

As regards the fixation of zones, it does not appear to be possible to definitely mark off areas from which alone particular factories should obtain their supplies of cane. Ryots cannot be compelled to grow cane, nor can they be compelled to sell their produce to any particular factory. A factory also may not like to be compelled to buy the cane it requires from particular ryots, nor to buy all the quantities of cane offered by them. But if the location of a factory is rightly settled with reference to the areas from which it can get its supplies of cane, the relation of buyer and seller of cane between them would be more or less permanent and if the factory pays a reasonable price for the cane it wants, no serious conflict of interest between the miller and the grower of cane, nor any unhealthy competition in buying or selling cane need be anticipated in the majority of cases. No statutory provision for the allocation of zones appears, in these circumstances, to be possible or necessary and the object of such allocation would be mostly achieved by licensing the erection of only such factories as are proposed to be properly located.

One of the most important objects of Governmental control over the sugar industry is to see that

the cane grower gets reasonable value for his produce. The prices to be paid would vary with the kind, condition and sugar content of the canes offered for sale and no statutory regulation of the scale of rates is possible. The law may, however, provide that the prices to be paid should be in accordance

(3) with the recommendations of a committee on which both cane-growers and cane-buyers are represented. The varieties of cane grown in Mysore are not many and the sugar value of canes is easily ascertained. With reference to the sugar contents of the different kinds of cane and the prices which sugar fetches, a representative committee should be able to fix the rates payable to cane growers and revise them from time to time. The problem of fixing prices for cane is unlikely to present any insuperable difficulties in Mysore. The prices payable for cane have to be notified and Government should have the power to require their publication according to a provision similar to Section 6 (1) of the Sugar Industry(Protection) Act, 1932.

In view of the protection it enjoys, the sugar industry in British India is required to sub-

(4) mit returns and statistics relating to its operation. This is what the Tariff Board have observed on this subject:-

> "When an industry is supported at the expense of the general public, it is reasonable that the industry should be regarded as a whole and that no information regarding costs should be with-held which could possibly advance the progress of the industry, facilitate research and thereby eventually reduce the cost to the consumer."

4564

9

8

DEWAN'S MINUTE.

FILE No. 192

The factories in Indian States will, in all probability, be required by the Government of India to submit ~~similar~~ information regarding their working as they also get the benefit of the protection and the Governments of the States should have the statutory power to demand the submission of such information from the factories in their jurisdictions. In the law to be enacted in Mysore, it will be necessary to include a provision similar to Section 5 of the Sugar Industry (Protection) Act, 1932.

What are all the conditions to be insisted upon for granting a license, is a matter on which it is necessary to obtain the expert advice of persons like Messrs Noel Deer, Srivastava and Penning, who know the industry intimately. It is also desirable to get the views of Bodies like the Krishnarajasagara Committee, the Mysore Sugar Company and the Mysore Chamber of Commerce on the measures of control proposed to be adopted. It would perhaps be well if a draft Bill is framed and comments and suggestions are invited on it. This is an important matter and there are likely to be differences of opinion about it.

Forwarded with compliments, to the Second Member, for favour of consideration of the question discussed in this note.

1) As suggested at 1, a draft may be framed in the first instance before inviting opinions. The Legal Law Secy may be asked to prepare a draft including all the points in consultn with the Admn branch. I shall also give personal instns to the Law in the matter 18/5

18.5.33

18/5/33

Serial No.

2) The file will now be sent to the Asst Legy Law Dept
Q
19/5

Qld. 19/5

3) A draft bill has to be prepared providing for the following:—

1) That no factory for the manufacture of sugar shall be started in Mysore without a licence being obtained in this behalf from the Govt of Mysore.

2) The Govt shall have power in granting such licences to fix the place where the factory is to be started and to ~~buy~~ prescribe conditions under which the manufactory is to be conducted.

3) ~~Govt~~ A committee consisting of representatives of cane growers and cane-buyers and other members appointed by Govt, should be given the power to fix prices for cane in any area and to revise them from time to time.

4) A factory must be made to ~~obtain~~ buy the cane only at the prices fixed by such committee and not at any lower rate.

NOTE—Contn. Sheet

WD 02553—50,000—GPB—8-7 30

File No. of 193 .

General and Revenue Secretariat

5) The prices so fixed by the Committee have to be notified and Govt should have power to require their publication on lines similar to sec 6(1) of the Sugar Industry (Prot^{n}) Act of 1932.

) Govt should have power to require the factories to submit periodical or such other returns and statistics relating to the manufactory and for this purpose a provision similar to sec 5 of the Sugar Industry (Prot^{n}) Act, 1932 ~~has~~ has to be incorporated.

Legislative section may prepare a draft-bill on the above lines, in the first instance, and submit it to the under Secretary for further action, as directed by the H Minister.

DNP
29/5/33

Cl 25/5/33

Draft-Bill is Enclosed

General and Revenue Secretariat | File No. Legs 47 - of 1933. | [App. F. III—2

Serial No.

4) A draft Bill for regulating & controlling Sugar Factories is submitted for consideration

Secd Member) Ce 19/6/33,

6) The draft Bill has been recasted as per instructions. An amendment draft Bill is submitted for Consideration

Secd Member) Ce 3/8/33

7) I have had a draft Bill prepared on the lines indicated in the Dewan's Minute dated the 10th May 1933 The main provisions of the Bill are those contained in Sections 4, 5 and 6 in which it is proposed to license the starting of new Sugar Factories in the State, and to prescribe conditions under which such licenses would be granted. Power is also taken requiring factories to submit information and returns and to frame rules to carry out the objects of the Regulation.

I may mention that the questions dealt with in this Bill were considered in detail in the Sugar Conference held in Simla recently. A similar Bill prepared by the United Provinces Government was referred to and considered in detail by a Sub Committee of the Conference. The Sub

WD 70—GBPM—60,000—13-8-31.

12 13

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of 193 .

General and Revenue Secretariat

Committee by a majority was in favour of fixing prices or sugar cane but not the licensing of factories or zoning. It is, however, necessary to retain the provisions regarding licensing as otherwise the fixation of prizes could not be carried into effect. As a result of the discussions which I had with those most interested in the problems relating to the Sugar Industry, I am of opinion that our Bill has provided for all necessary safeguards and is on correct lines.

I propose that the Bill may be published and public opinion, especially of the bodies interested in the question may be invited on it. Two months time may be given for the submission of the opinions and than the Bill may be taken up for consideration by Government.

(2) If these proposals are approved a suitable explanatory note will be published along with the Bill

Dewan.

DEWAN'S OFFICE 1459 23 AUG. 1933

Chief Secretary with compliments.

(For Disposal at a Meeting) (19) No. C. 40

4 1933-4.

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

Subject

(clause 11 of the schedule)

Draft Bill for the fostering and development of the Sugar Industry in Mysore.

Circulated to the Members of Council.

By Order,

R. Rangarao

28th August 1933. *Chief Secretary to Government.*

1666/29/8 **First Member of Council.** 29/8/33

1677/29/8 **Second Member of Council.** 28/8 29/8

15 13

Extract from the Proceedings of the 908th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 16th September 1933. *19*

12. Subject. - Clause ii of the schedule.

Draft Bill for the fostering and development of Sugar Industry in the State.

OPINION OF THE COUNCIL.

The Representative Assembly may be consulted.

16)

(Signed) MIRZA M. ISMAIL,

DEWAN.

11) For favour of Final Note.

Second Member)

"EXTRACT"

RG 18/9/33

Chief Secretary to Government.

WD 1471—GPB—2,000—1-3-21

General and Revenue Secretariat | File No. (1) of 193 (1)

Serial No.

Statement of general principles of the Cottage Industries Safeguarding Bill is submitted for consideration. If approved this will be included in the R.A. agenda to be sent to the members in anticipation of sanction of H. H.

(Second Member) 18/9/33

Sd/-

(Dewan) 18/9/33

18-9-33

21/9/33

21/9/33

The statement of general principles of this Bill may now be submitted as supplementary agenda. Please put up D. F. N.

21/9/33

(R.A. Post)

D. F. N. Sahib

Done 21/9

Please get it typed

21/9

TYPING SECTION * 22 SEP. 1933 * GENL. & REV SECTT.

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31

15

6046

File No. of 193 General and Revenue Secretariat

Signed. D. Z. N. Lubeck.

Dom 22/9 Second Member

Ce 22/9/33

Final Note signed by the Member is put up

Hrs 23/9/33.

Jm 27-9-33

DEWAN'S OFFICE
23 SEP. 1933

Office of the Second Member of Council.
23 SEP. 1933
No. 1756

Final Note by the Second Member of Council. 18

Subject:—

Bill to provide for the fostering and development of the sugar industry and for safeguarding the interests of sugar cane cultivators in Mysore.

52)

In the last paragraph of his Submission Note dated the 23rd February 1933, Dewan Bahadur Rajakarya Prasakta M.N. Krishna Rao, then First Member of Council, suggested the advisability of providing for some measure of Government control in regard to the establishment of new sugar factories with a view to regulate the orderly development of the industry and to afford necessary protection to the agriculturists. Accordingly a draft Bill has been prepared for the fostering and development of the sugar industry in Mysore, for taking power for the purpose of controlling and regulating factories engaged in the manufacture of sugar, and for safeguarding the interests of sugar cane growers and cultivators.

The Bill was discussed in Council at the meeting on the 16th instant and it was resolved that the Representative Assembly may be consulted on the general ~~provisions~~ principles of the Bill.

Page 13 of Office Note

I now solicit the gracious sanction of His Highness to place a statement of the general principles of the Bill before the Representative Assembly.

R

T Rajagopal

MEMBER OF COUNCIL.

Camp Mysore,
22nd September 1933.

19

Submitted to His Highness.

I submit herewith a Final Note by the Second *Member of Council on the subject of* the Bill to provide for the fostering and development of the sugar industry and for safeguarding the interests of sugarcane cultivators in Mysore *for His Highness' gracious approval.*

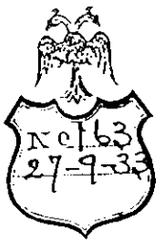
13)

Mirza M. Ismail

Dewan.

Mysore,
23rd September 1933.

Record of Cases submitted for the Orders of His Highness the Maharaja.



Subject.

Bill to provide for the fostering and development of the sugar industry and for safeguarding the interests of sugarcane cultivators in Mysore.

162

Order.

~~KRW~~

2/10/33

Copy
No. -
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1934 P 33

C. 40.
21

General and Revenue Secretariat.

Subject:-

Bill to provide for the fostering and development of the sugar industry and for safeguarding the interests of sugarcane cultivators in Mysore.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Headquarters and then sent to the Secretariat concerned for the issue of orders.

15

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders. (*) (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

R. Rayer
Chief Secretary to Government.

Through the Secretary to Government, 6/10.33.

General & Development Departments

7.10.33.

2697
7/10

FIRST MEMBER OF COUNCIL. 7/10/33

2674
9/10

SECOND MEMBER OF COUNCIL.

Dev. Secy with Comps.

11.10.33 12/10/33

NOTE.—Contn. sheet

Printing Dept.

REPLY

(*To be written on this margin.*)

OFFICE OF THE SECOND MEMBER OF COUNCIL

NOTE

Dated 18/10 193 .

16) With refce to the Dewan closing speech announcing that the Sugar Bill would be taken up in the Legve Council, I would like the Legve Section to examine whether it can be brought up at the December Session & if not, when it can be introduced

GL Secy with compts

11/10

11/10/35

17) As the December Session is the last Session of the present Council, all Bills introduced at that Session unless passed finally at one sitting will lapse. The Sugar Industries Bill

1930 f33
P

23

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Serial No.

DEWAN'S OFFICE
2405
12 OCT 1933

does not require the sanction of the Govt of India. But being an important & Comprehensive Bill containing several clauses some of which are Controversial, it will have to go before a Select Committee & it may not be possible to pass it at one Sitting.

(6) In June next, the reconstituted Council will meet. The Bill may be introduced at that Session & passed in the Session of Dec 1934

Second Member) G 11/10/33

(7) I am afraid it will not be possible to take it up in Dec— It has to be postponed till June next

Spr 11/10

(8) Dewan)

We can wait till June. There is really no great hurry about it—

G 11/10/33

Jm 12-10-33

2191 16/10

II Member (Tm 13/10. G 13/10/33

(9) Spr 13/10

Hoyd 16/10

Tm 16/10

G 16/10/33

NOTE—Contn. Sheet.

WD 0246 --GPB—15,000—22-8-32

1934

Sugar Industries Safe-guarding Bill.

File No. Legis 47 of 1934	General and Revenue Secretariat

(2) Noted for perusal. The file will be kept in Secs and put up for orders after the General Elections are over, about the first week of April 34.

Secs MSH
7/10.

(3) Yes. It should be taken up in time for introduction in the L.C. of June 1934.

G 19/10/33

Sd/-

(4) The approved draft of the Sugar Bill the statement of general principles placed before the L.A & the discussion before it in the L.A are submitted. Though the L.A threw out the Bill, it has been decided to introduce it into the L.C.

One point raised in the discussion which the Govt was inclined to consider is to devise a provision in the Bill for Consulting all parties interested while granting licenses & fixing the areas of operation. Vide 1st Members statement at page 110. The 2nd Member states (page 114) That the representatives of factory owners Cane growers & Consumers would be Consulted in the matter of licensing & fixing

Serial No.

the area of operation. The idea seems to be to have a sort of advisory licensing board for considering applications & making recommendations. The Board will be constituted of members representing the several interests. The board, the procedure etc may all be brought in under rules to be framed by Govt & the only provision that will be made in the Bill is a rule making power for these purposes. If approved the following words may be inserted after the words "framed under" in Sec 4 (3) ... "prescribing the procedure to be adopted in granting licenses under this Regulation, for fixing the place where a factory is to be located and the area within which the operations of a factory should extend and".

2) The statement of general principles which is comprehensive may be adopted as the 'Objects & Reasons' of the Bill to be placed before the L.C.

Second Member) CE 26/2/34

26) Please put up the bill about to be introduced into the Imp. Legve assembly we may consider its provns also

27) Meanwhile this bill may be kept included in the list of Govt

OFFICE OF THE SECOND MEMBER OF COUNCIL. 25 FEB. 1934 No. 54-65

NOTE—Contn. Sheet.

re Sugar Industries Safeguarding Bill.

File No. of 193 General and Reve Secretariat

remains to the June Session.

JPQ 2/3

MW 5.3.34

MW 5/3/34

Sine till 15.3 - 4

29) A summary of the Bill to be introduced into the Legislative Assembly has appeared in "The Leader" of 2.3.1934 and a cutting thereof is herewith for your kind perusal.

Done 7/3 MK

29) The Bill referred to is the one which is proposed to be introduced for fixing the minimum price to be paid to the sugarcane grower etc. Please put it up as soon as it is published

8/3/34

Sine dep 22.3.34.

Reminder Secretary's Office Monday 5/4

Govt of India Sugar Cane Bill / 5219 C/3

Serial No.

30) The Bill to regulate the price of sugar cane intended for use in sugar factories in the India has been published and the same is herewith put up.

The purpose of the Bill is to secure to sugar-cane growers a fair price for their produce. Under Cl 4.(1)(b)(3) of the Bill as drafted here such a power can be exercised. Vide also Sub-clause (2)(c) of Clause 11 of the Bill.

The main file Re the Sugar Industries (Regulating) Bill has been sent to the Secretariat.

Encls

Draft

27/3

31) According to Sub-Sec 3 of the Govt of India Bill, the Local Govt declares an area as a controlled area & fixes the minimum price for the purchase in that area of sugarcane intended for any factory therein. The Govt may also prohibit in that area the purchase of sugarcane by a factory from persons other than the sugarcane grower or a licensee to act as purchasing agent.

32) In our Bill Sec 4(2), the area of operations of a factory & the minimum price

NOTE—Contn. Sheet.

WD 043—GPB—15,000—12-10-33

Serial No.

to be paid by the factory for sugarcane are made part of the conditions of a license which a factory will have to take.

33) There is no provision in our Bill prohibiting purchase otherwise than from the sugarcane growers or licensed agent. [It was thought inexpedient to introduce into Bill the system of licensed agents.]

2. Sec 4 of the first of Indian Bill requires previous publication of notifications. This does not seem to be necessary in our Bill

3. Sec 5 of the Indian Bill imposes a punishment of Rs1000 fine for the first offence & for repetition, fine of Rs 3000.

According to our Bill the fine under Sec 18 (3) for contravention of conditions will be Rs 200. Besides this, the license will be cancelled under Sec 5 (3)

4. Sec 9 (2) of our Bill is similar to Sec 6 of the first of Indian Bill

5. The definition of "factory" in the Indian Bill restricts it to manufacture with the aid of power so that factories worked with manual & animal labour are excluded. It is for consideration if we should adopt the definition.

Regarding "sugar" our Bill empowers Govt to define what article

The Bijapur Factories Regulation does not provide for this limit.
5-6-34

According to the definition in the Factories Act as amended by XI of 1926,

Sugar Industries Safeguarding Bill

General and Revenue Secretariat | File No. | of 193 . | [App. F. III—2

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That may be factories with aid of power & without aid of power. Premises employing more than 20 persons & more than 10 persons using power are ipso facto factories. Premises employing more than 10 persons, but not 20 persons, employing power will be deemed to be factories if so notified by Govt.

C.E. 6/4/34

are deemed to be so. While in the Indian Act article containing 90% of sugar cane will be duty free.

34) For orders of the draft Rule may be published under Rule 8 of the L.C. Rules & introduced into the L.C. in the June Session.

Member 1. C.E. 5/4/34

2nd Member) 35) may be published as it is. Com. 6.4.34

C.E. 7/4/34

36) The Bill which was already prepared when the Subject was discussed at the Assembly in Oct^r last has been further examined in the light of the Govt of India Bill & I agree that it does not require alteration & may be published. The Dewan has already announced in the R A that it will be introduced into the L.C.

H.H. 8/4

Dewan.

37) Com. 9.4.34

C.E. 9/4/34

10-4-34

11.4.34

OFFICE OF THE SECOND MEMBER OF COUNCIL 9 APR. 1934 No. 6185

DEWAN'S OFFICE 10 APR. 1934 No. 6441

WD 0134—GPB—15,000—12-10-33

543

30 Sugar Industries (Safeguarding) Bill

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General and Revenu Secretariat

Serial No.

For perusal

(Mr. Menon)

CE
13/4/34

CE 14/4/34

OFFICE OF THE FIRST MEMBER COUNCIL
- 13 APR. 1934
No. 8106

Mm.
14.4.34
CE
Mm.

* Extra copies of Bill with Statement of Objects and Reasons are put up & submitted with reference to paras 2, 3, 34, 36 & 37 supra. These may be sent for the approval to H.E. Office

Mm
4/4

3/8

Mm 4/34

Three copies taken and the file returned to the Prot. Br.

16/4/34

H.E. Office
28/4

P.T.O

5219

Sugar Industries Safeguarding Bill

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2

Serial No.

Re decision in Council in regard to this Bill is:— "The Sugar Safeguarding Bill may be approved with the omission of the provisions regarding the cancellation of licence accordingly in cl 5 of the Bill sub-clauses (2) & (3) relating to suspension & revocation of licence are deleted sub-clause (4) also is amended & will read as follows:— "The decision of the Government whether or not a licence may be granted shall be final

For copies of the Bill as revised to be published in The Gazette

Second Member)

Ce
14/5/34

Maybe returned now
Has this been submitted to HH again

JPR
15/5
mm
15-5-34

Re draft Bill had been submitted to HH. & sanction was taken for the intended legislation. It does not appear to be necessary to submit it to

SECOND MEMBER EXECUTIVE COUNCIL
14 MAY 1934
No. 616

NOTE—Contn. Sheet.

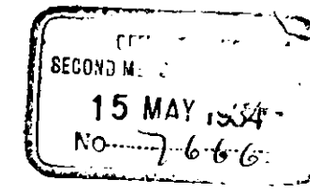
WD 01536—GPB—7,500—5-4-34

3rd Sugar Industries Price-Guarding Bill

File No. of 193 . | General and Revenue Secretariat

H. H. Chairman

Second Member)



Ce
15/5/34

15.5.34.

Ce
16/5/34

The file will be sent to the D. of L. C. Office for noting the revision in the wording of Clause 5 of the Bill and taking further action

Sec
16/5

Ce
18/5/34

Ref
21/5/34

Noted and put to the Prot. Br. with Compts
21/5/34
Ce

Place printed Copy of Bill & prepare Notices

The D. of Office for kindly sending us some spare copies

A few spare copies are put up as desired
Sec
5/6
Prot. Br. with Compts)
5/6/34
Ce

639

545

Sugar Industries Factories Bill
33

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2

Serial No.

The Bill has been published under Rule 8 of the Rules of business and a copy thereof is placed in file.

The following motions are suggested for insertion in the Agenda for the meeting of the Legislature:-

(1) Motion that the Bill published under Rule 8 of the Rules of business be read in Council

(2) Motion that the Bill be referred to a Select Committee

Mover: The Second Member of Council

Seconder: The Director of Commerce

Orders are also solicited re the personnel of the Select Committee

Dyer 15/6

The Select Committee personnel may be fixed at the time of discussion as the L.C. has not yet been fully reconstituted.

(Second Member)

16/6/34

OFFICE OF THE SECOND MEMBER OF COUNCIL. 16 JUNE 1934 No. 8-5-23

NOTE—Contn. Sheet.

The L.A. & L.C. Office for Secs. noted and put to note & return Dyer 17/6

(Prot. Bx. will comply) 19/6/34

Dyer 20/6 The A.A. to the Secretariat

WD 01536—GPB—7,500—5-4-34

374 of 34

34 Sugar Industries Bill

File No. of 193 | General and Revenue Secretariat

To

The L. C. Office for kindly sending us a copy of the proceedings pertaining to this Bill

Secy 5/7 Copy of proceedings re. the Sugar Industries Bill is sent up herewith

Regr 12/7/34 (Sent up with Confdl.)

The proceedings relating to the Legislative Assembly are herewith sent up. The Bill was referred to the same Committee as was constituted for the Sugar (Excise Duty) Bill. Submit for orders regarding the date of meeting of the Select Committee

Secy 20/7 If convenient, a date about the 15th August may be fixed. The meeting may be finished in one day; but if it is not finished, it may be taken up the next day also.

(Second Member) 20/7/34

21st August may be fixed

Sec 21/7

Issue notice

6 2 20/7/34

P. Rajagopalachari, (*Chairman*)
K. R. Srinivasa Iyengar.
N. Madhava Rao.
R. Ranga Rao.
M. Venkatanaranappa
A. V. Ramanathan.
K. T. Bhashyam Iyengar.
S. C. Malliah.
P. Subbarama Chetty.
K. Chengalaraya Reddy.

OFFICE OF THE SECOND MEMBER OF COUNCIL. 20 JULY 1934 No. 1 of 11

1.30 P.M.

74

Sugar Industries Safeguarding Bill

35

General and Revenue Secretariat | File No. | of 1934 | [App. F. III—2

Serial No.

Draft calling for a meeting of the S.C at 1-30 P.M on Tuesday 21.8.34 is laid.

Done
21/7

Issue
C 1187 34

Issued vide P 5780 of 3.8.34

Date of meeting 21-8-34; 1-30 P.M.

The Select Committee met at 1-30 P.M. All the Members except Messrs M.K. Srinivasa Ayyangar & M. Venkatramanappa were present

The decisions arrived at are embodied in the Draft Report which is put up along with a copy of the Bill indicating the changes made by them

Done
22/8

Please type report as usual.

C 22/8

Typed Draft Report laid

Done
27/8

Draft report of the Select Committee with Bill, as amended laid for approval. Copies will be sent to the members for their signature

Second Member

27/8

Approved as revised

C 27/8

Sd 28/8

NOTE—Contn. Sheet.

WD 01955—GPB—22,500—12-6-34

1 AUG 1934 * TYPING SECTION * GEN. SECTT.

TYPING SECTION * 21 AUG. 1934 * GENL. & REV. SECTT.

8 AUG 1934

1502
1505

50

File No. of 193 . | General and Revenue Secretariat

Submit with draft forwarding copies of Report to the Members Present at the meeting for approval and return within a week.

Draw
3/9

Issue
4/9

Issued No P/2 60-66 of 6.9.34
to the members of the S.C present at the meeting forwarding copies of draft Report for approval & return within a week.

Report has been approved by Messrs S.N Ramanathan, K.T. Bhashyam Iyengar, R. Ranga Rao & V. Venkatarama Iyer are due from Messrs S.C. Mehrotra & Chengalraya Reddi & P. Subbaramachetty

draft reminder is filed

Draw
17/9

Issue
19/9

Issued 1470-72 Q. 19.9.34

Transmission Clerk
Copies forwarded

TYPING SECTION
4. SEP. 1934
GENL & R. SECTT

Issue A
7/9

TYPING SECTION
18. SEP. 1934
GENL & R. SECTT

Issue
19/9

1710(a)

Sugar Industries Safeguarding Bill

3)

General and Revenue Secretariat | File No. | of 193 (4) | [App. F. III—2

Serial No.

All the Members of the S. C. who were present at the meeting have expressed their approval to the draft Report.....

(R) Mr P. Subbarama Chetty has appended a note Flag R. He refers to the composition of Advisory Committees the establishment of which has been provided for in the rule making clause 11 (2)(c).

Flag X Mr K. T. Bhashyam Aiyangar has made some verbal corrections. The adoption of them is for orders.

The Report will be forwarded to the S. C Office after approval for publication with the note of Mr P. Subbarama Chetty.

Sd/
27/9

All the Members of the S. C. on the Sugar Industries Safeguarding Bill have approved of the draft Report sent to them.

Mr. P. Subbarama Chetty has appended a note as follows:— "In constitution of advisory Committees I think that not less than half the number should be non-Official". This with the

34 Sugar Industries Safeguarding Bill 17

File No. of 193 | General and Reve___ Secretariat

inserted in the report to be published as his note.

Mr. K. T. Bhashyam Iyengar suggests two verbal amendments in the para regarding clause 11. The changes suggested are not of much importance. Since the draft report has been approved by all the three members, it may stand as it is.

The report & the Bill as amended will be published in the Gazette

(Leave Member) 28/9/34

JPM 28/9

28.9.34

Issue 28/9/34

OFFICE OF THE SECOND MEMBER OF COUNCIL. 28 SEPT. 1934 No. 2443

Legis Office / Pol. W.C. 29/9/34

Three typed copies of the Report may, as usual, be sent to this office for further necessary action being taken.

Prot. Bl. with Compts)

1/10/34

TYPING SECTION 2. OCT. 1934 GEN & REV. SECTT.

To the Typing section for kindly typing 3 copies of Report

MSR 2.10.34

Sugar Industry (Protection) Bill

W5/1
39

General and Revenue Secretariat | File No. Ways 1/- of 1934 | [App. F. III—2

Serial No.

Extra copies of S.C Report with the Bill as amended are printed & more will be sent to L.C Office for publication

Done
5/10 — yes.

Print & file Bill as amended
Mysn 5/10

Ce 3/10/34

L.C Office
W. R. / Two copies of the Report have been taken for further necessary action and the file put to the Prot. Bx with the compts)

4/10/34

Printed copies
Press Engraved
5/11 in file

The following motions are suggested.

1 Motion that the Report of the S.C and the Bill as amended by them be taken into consideration as amended

2 Motion that the Bill as amended be read a Second time

Speaker: Second Reading

Secretary: Read Secy

Done
5/11
MKR

Sec 1.
Second Reading)

Ce 23/11/34
MW 26.11.34.

GPSW 28/11 MW 29.11.

OFFICE OF THE SECOND MEMBER OF COUNCIL 27 NOV. 1934 No. 3865

2885 31 III

NOTE—Contn. Sheet.

WD 0955—GPB—22,500—12-6-31

171

LCO

-gar Industries Safeguarding Bill

File No. of 193 . | General and Revenue Secretariat

To

The Govt v R-C copies for
edited copies of motions appended
also in previous page

JPS/ 30/11/34 noted and put to the Govt. B. of all Comptrs.)

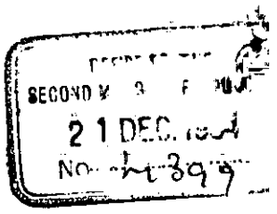
30/11/34

Y.C Govt

The Motion that the Bill
be passed was accepted.
Govt. with a D.O.N.

Secretary
20/12/34
(Second Member)

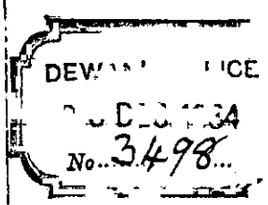
4/12/34



22/12

S. N. Govt.

Secretary
(Member)



26-12-34

Final Note by the Second Member of Council. 41

Subject.—

SUGAR INDUSTRIES SAFEGUARDING BILL.

Gracious sanction of His Highness was accorded in October 1933, to place a statement of general principles of the Bill to provide for the fostering and development of the Sugar Industry and for safeguarding the interests of sugar cane cultivators in Mysore.

The statement was discussed in the Representative Assembly in the Dasara Session in October 1933 and was approved by that Body.

The Bill itself was introduced into the Legislative Council after previous publication in June 1934 and referred to a Select Committee of the Council.

The Select Committee submitted their recommendation in August 1934. Their report together with the Bill as amended by them was taken up for consideration in the Legislative Council at the meeting held on the 17th December 1934 and was finally adopted by them.

I now solicit gracious sanction of His Highness for promulgating the said Bill into Law.

MEMBER OF COUNCIL.

Bangalore,
22nd December 1934.

(12

Submitted to His Highness.

I submit herewith a Final Note by the Second *Member of Council* soliciting sanction to the promulgation of the Sugar Industries Safeguarding Bill.

for His Highness' gracious approval.

Mirza M. Ismail

Dewan.
27-12-34

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Sugar Industries Safeguarding Bill.

7
M
1-1-35

344

Order.

~~KRW~~

31/12/34

1710 (a)

44

349

General and Revenue
Secretariat

SUBJECT:- Sugar Industries Safeguarding Bill

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness'* orders before/after issue of orders. (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

R. Rangachari

Chief Secretary to Government.

Through the Secretary to Government,

.....Department.

FIRST MEMBER OF COUNCIL (on leave)

4606

2/1

SECOND MEMBER OF COUNCIL.

SPV 2/1

Prstn: RR 3/11/35

NOTE.—Contn. sheet.

H.T. 7634.

Sugar industries Sale Guaranteeing Act,
IV of 1934 (5)

General and Revenue Secretariat

File No. Legs 47 of 1934

[App. F. III–2

Serial No.

Subd with draft G.O publishing the Act as Act IV of 1934.

Draft 4.1.35

Photographs + Cuttings

4/1/35

G.O. No P 3341 of 5.1.35
The Compiler
Orders the publication
of Act IV of 1934

Subd with proof of Act and compared with Printed Orders

Draft 5/1

Legl/1

Issued No P 3369
6/1/35

Printed copies of Act are placed in file.

The file may be sent to Govt for information and for taking action to fix the date of commencement of Act under Sec (3)

Draft forwarding copies of Act has been submitted separately

Note–Contn. Sheet.

DEVELOPMENT SECRETARY
4368
26 JAN 1935

Dy Secy
Draft notification
Not about rules

C.
26/1/35

MW
28.1.35

1,6 4/6 i 1/1507/35

File No. of 193 . | General and Revenue Secretariat

further action taken in A46 file 278-34-1 & these papers returned to the Prot^n Branch.

HHO
23/9/35.

Prot^n Br. W.C.) KP 23/9

A Rep

Approved Draft P

SPR 21/8

(7)

DRAFT BILL.

A Regulation to provide for the fostering and development of the Sugar Industry, in Mysore. and for safeguardin

sugarcane cultivators

Whereas it is expedient to provide for the fostering and development of the Sugar Industry in Mysore, ~~and~~ to take power for the purpose of controlling and regulating factories engaged in the manufacture of sugar; it is hereby enacted as follows :— Preamble.

and for the safeguarding of the interests of sugarcane growers and cultivators.

Industries Safeguarding

1. (1) This Regulation may be called the Sugar ~~Factories~~ Regulation, 1933. Short title, extent and commencement.

(2) It extends to the whole of Mysore; and

(3) it shall come into force in such local areas and from such dates, as the Government may by notification in the *Official Gazette*, direct.

2. (1) In this Regulation, unless there is anything repugnant in the subject or context,— Definition.

(*a*) 'Sugar Factory' means any factory as defined in the Mysore Factories Regulation, 191$, in which sugar is manufactured and wherein not less than twenty persons are simultaneously employed on any one day in the year. 4

(*b*) 'License' means a license granted under this Regulation and 'Licensed' and 'Licensee' have corresponding meanings.

(*c*) 'Prescribed' means prescribed by rules made under this Regulation.

3. The Government may, by general or special order, declare for the purposes of this Regulation what articles or substances containing any saccharine matter shall be deemed to be sugar. Definition of sugar

4. (1) It shall be lawful for the Government to grant to any person or persons on such conditions and for such periods as may seem fit licenses for the manufacture of sugar. Licensing manufacture of sugar.

(2) Such conditions may prescribe among other things the place where the factory is to be located, the area within which the operations of the factory should extend and the price or prices at which the factory shall purchase sugarcane.

(3) The Government shall have the power to frame rules for fixing the price or prices at which sugarcane shall be purchased by a factory.

Prohibition against the establishment and maintenance of factories without a license.

5. (1) It shall not be lawful for any person after the expiration of three months from the coming into force of this Regulation to carry on the business of manufacturing sugar except under the authority and subject to the terms and conditions of a license granted in accordance with the provisions of this Regulation.

(2) A license shall remain in force unless and until it is suspended or revoked.

(3) The Government may revoke or suspend any license granted in accordance with sub-section (1) if they are satisfied that the conditions of grant are not properly fulfilled.

(4) The decision of the Government shall be final on the following questions, *viz* :—

(*a*) whether or not a license may be granted; or

(*b*) whether or not any of the conditions to be fulfilled are properly complied with.

Power to require information and for inspection of documents

6. (1) The Government may by general or special order require the applicant for a license or a licensee or any person who, being a director, partner, proprietor, manager or officer of, any factory, who is able to give any information as to the constitution, control or management of the factory or the business carried on in the factory, to furnish such information within such time as may be specified in the order.

(2) Any person authorised by the Government in this behalf may, for the purpose of verifying or obtaining information of the nature referred to in sub-section (1), inspect any books and documents belonging to or under the control of such factory, the inspection of which may be reasonably required for the said purpose.

Power to make rules requiring returns.

(3) The Government may, by notification in the *Official Gazette*, make rules requiring the owners of sugar factories in Mysore to make such returns relating to the production of sugar in their factories as the Government may consider to be desirable, prescribing the form of such returns, the dates of their submission and the authority to which they shall be submitted.

Penalties

7. (1) Any person who carries on the business of manufacturing sugar in contravention of this Regulation shall be punishable with imprisonment which may extend to one year or with fine which may extend to one thousand rupees or with both.

7. (1) Whoever contravenes the provisions of section 5 shall be punishable with fine which may extend to one thousand rupees and in the case of a continued contravention with a further fine which may extend to one hundred rupees for every day during which the contravention is continued after conviction therefor.

(2) Any person who.—

(*a*) refuses or neglects to furnish any information which by an order under Section 6 is required to be furnished within the time specified in such order or knowingly furnishes any such information which is false in any material particulars,

(*b*) having the custody of any book or document which a person is authorised to inspect under Section 6 refuses or neglects to produce the book or document for inspection, or

(*c*) fraudulently uses or permits to be fraudulently used any license issued under this Regulation,

shall be punishable ~~with imprisonment which may extend to three months, or~~ with fine which may extend to two hundred rupees, ~~or with both~~.

(3) Where the person guilty of an offence under this Regulation is—

(*a*) an association or firm, every partner, member, manager or secretary and other officer thereof who is knowingly a party to the default, and

(*b*) a company, every director, manager, secretary and other officer thereof who is knowingly a party to the default,

shall also be guilty of the like offence and liable to the like punishment.

(4) The Government may take possession of any factory wherein manufacture of sugar is carried on without a license issued under this Regulation and confiscate the machinery used for that purpose.

Delegation of powers

8. Government may delegate to the District Magistrate or other officer of Government the right to exercise any powers vested in Government by this Regulation.

Trial of offences.

9. (1) No offence made punishable by this Regulation or by any rule made thereunder shall be tried by a court inferior to that of a Magistrate of the first class.

(2) Prosecutions under this Regulation shall not be instituted except under the authority of a District Magistrate.

8. No suit or other legal proceedings shall be instituted against any person in respect of anything which is in good faith done or intended to be done under this Regulation. Bar of suit where acts are done in good faith.

(1) The Government shall make rules for the purpose of carrying into effect the provisions of this Regulation. Power to make Rules.

(2) In particular and without prejudice to the generality of the foregoing provisions, such rules shall provide for—

(*a*) the levying of fees in respect of licenses ~~framed~~ under this Regulation,

(*b*) the conditions and limitations subject to which a license may be granted,

(*c*) the manner of fixing the prices at which sugarcane shall be purchased by a factory, and

(*d*) any matter which under this Regulation may be prescribed.

(3) Any rule made under this Regulation may provide that any contravention thereof or of any of the conditions of the license issued or renewed thereunder shall be punishable with fine which may extend to two hundred rupees.

II.

The Mysore Representative Assembly.

DASARA SESSION—SEPTEMBER-OCTOBER 1933.

STATEMENT OF GOVERNMENT BUSINESS TO BE PLACED BEFORE THE REPRESENTATIVE ASSEMBLY.

III. Statement of the general principles of a Bill to provide for the fostering and development of the sugar industry and for safeguarding sugar-cane cultivators in Mysore.

In view of the growth of sugar-cane cultivation in recent years and the increasing stimulus to the establishment of sugar factories, it is found necessary to take steps for the orderly development of sugar-cane production and of methods of securing the co-operation between the sugar-cane grower and the factory owner. As the area under sugar-cane in Mysore will largely increase, especially in the Irwin Canal Area, need is likely to arise in the near future for more factories. Government have therefore considered it desirable that some control should be exercised over the establishment of factories for ensuring that the industry is organised as far as possible on lines which would make for its stability and for proper co-ordination of the interests of its agricultural and manufacturing sides and preventing unhealthy competition. The measures considered necessary for such control are principally the licensing of factories and the fixation of a minimum price at which sugar-cane shall be purchased by a factory, thus ensuring to the agriculturists a reasonable price for their cane.

How many factories should be established in a particular tract and where they should be erected are matters of vital importance in the interests of both agriculture and manufacture, and over crowding of factories with all its consequences, has to be prevented. The tariff on foreign sugar was imposed by the Government of India primarily to help the cane grower and it is an important duty of Government to intervene to see that the cane grower gets a reasonable value for his produce and that the benefit of the tariff reaches him. Since the factory also gets the benefit of the protection, Government should have statutory power to demand the submission of information from the factories regarding their working.

To secure these objects, Government consider it expedient to introduce legislation for the fostering and development of the sugar industry in Mysore, to take power for the purpose of controlling and regulating factories engaged in the manufacture of sugar and for the safeguarding of the interests of sugar-cane growers and cultivators.

It is proposed to prohibit the establishment and maintenance of factories without license and empower the Government to license factories and to prescribe conditions in respect of the place where the factory is to be located, the area of its operation and the price or prices at which the factory should purchase the sugar-cane. Penalties are provided for contravention of the provisions of this measure. Certain safeguards are also provided, such as previous sanction for prosecution under this law and the trial of cases thereunder by a First Class Magistrate.

C. SUBRAHMANYA AIYAR,
Secretary, Representative Assembly.

WD 503—GPB—400—21-9-33

Statement of the general principles of a Bill to provide for the fostering and development of the sugar industry and for safeguarding sugar-cane cultivators in Mysore.

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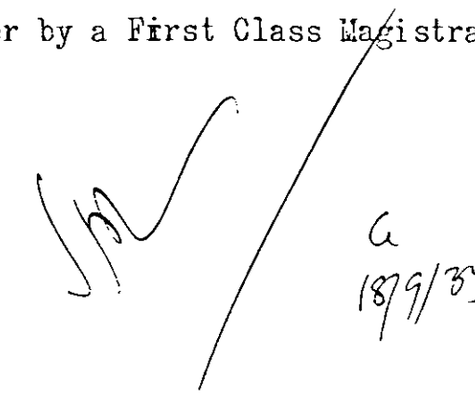

DEWAN'S CONCLUDING REMARKS.

7th October 1933.

MEMBERS OF THE REPRESENTATIVE ASSEMBLY,—

We have now reached the end of a strenuous Session. But before I bring the proceedings to a close, I should like to refer to a few of the more important matters that came up for consideration at this Session.

It is a matter of regret to Government that the general principles of the bill further to amend the Code of Criminal Procedure, 1904, and the bill to provide for the fostering and development of the sugar industry and for safeguarding the interests of sugar-cane cultivators, did not receive the approval of this House.

The bill to amend the Code of Criminal Procedure, 1904, seeks to expedite the disposal of criminal cases. It has repeatedly come to the notice of Government that the present provision of law which requires that a Court should adjourn a case or an appeal as soon as notice is given to it that the complainant or the accused proposes to apply to the High Court for a transfer of the case or appeal, as the case may be, to another Court, has been abused a good deal and has defeated the ends of justice. Government proposed therefore to retain the existing provision so far as the first application for a transfer was concerned, but as regards subsequent applications to endow the presiding Magistrate with discretion to postpone the case or go on with it as he deemed best in the circumstances placed before him. This, to my mind, will be a great improvement on the existing practice and is clearly necessary to prevent reckless and irresponsible persons from obstructing the course of justice and wasting public time and money.

The other measure was intended to provide for the development of the sugar industry and to safeguard the interests of the sugar-cane cultivators—objects which it might have been thought would readily appeal to the House. During the past two or three years, there has been, as you are aware, a great stimulus to the establishment of Sugar Factories and this has led to a large expansion of sugar-cane cultivation. Government considered that if this activity were left entirely to the free play of competition, the conflict of interests between the sugar-cane cultivators and the sugar producers would prejudicially affect the country as a whole and that to prevent such conflict Government should take steps to bring about a well-ordered development of the industry. They desired to take powers to license factories and to fix a minimum price for sugar-cane. The House has, however, disapproved of the proposals of Government by a

59

No. 758 /Agri.

Imperial Council of Agricultural Research,

New Delhi, the 5th March 1933.

My dear Dr.Coleman,

Please see your demi-official letter No.R.O.C. 1857 of 32 dated the 28th February. The question of control over the establishment of sugar factories in relation to cane supplies was discussed on a note prepared by Mr.Noel Deerr and a further note written by Mr.R.C.Srivastava. I enclose copies of the papers which were circulated in this connection to the members of the Sugar Committee. I also enclose copies of the proceedings of the Sugar Committee, under item 14 of which you will find the subject discussed. You will see that the conclusion arrived at in the meeting was that at present we had no materials to justify any decision being taken and that we should further study the situation. I may say this is a conclusion in which I agree.

I missed you at the Advisory Board meeting but I hope to pay a visit to Mysore in the near future when I look forward to the pleasure of meeting you and discussing matters with you.

Yours sincerly,

T Vijayaraghavacharya

Dr.Leslie C.Coleman, Ph.D., C.I.E.,
Director of Agriculture, Mysore State,
Bangalore.

59

No. 756 /Agri.

Imperial Council of Agricultural Research,

New Delhi, the/5th March 1933.

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Director of Agriculture, Mysore State,
Bangalore.

DEPARTMENT OF AGRICULTURE, MYSORE STATE.

D. O. No. L. 585 of 32-33.

Telegraphic Address,
"AGRI., BANGALORE."
Code: 5TH EDITION A.B.C.

ESLIE C. COLEMAN, M.A., PH.D., C.I.E.,
Director.

fo

OFFICE OF THE DIRECTOR,
Bangalore, 28th Feby. 193 3

Dear Mr. Krishna Rao,

I received yesterday a letter from Mr. Noel Deerr informing me that he had no more specific information on the subject of Government control of the establishment of Sugar Factories in Java than that contained in Dr. Prinsen Geerlig's book, The World's Cane Sug Industry, Past and Present. This book was published in 1912 and as far as I have been able to ascertain has not appeared in a second edition.

In going through this important publication I have been able to find reference to Government control of this kind only in the case of Formosa and Java. In many countries producing sugar from cane, the cane growing operations are under the control of the companies operating the factories so there is no question of unhealthy competition for cane. This is, of course, also the case in Java, where the competition would be not for cane grown but for the lease of land upon which to grow cane.

The situation in Formosa is different for these apparently much of the cane crushed in the factories is purchased from small cultivators. You will find on page 84 of Prinsen Geerlig's book which I am sending herewith an account of the ordinances issued by the Japanese Government in 1905 in this regard and as you will see they are very stringent. I am of course not sure that these ordinances now exist in their original form but I am institu enquires of the Director, Agricultural Experiment Station, T Formosa with whome I have had some correspondence.

The situation in Java is described by Prinsen Geer on pages 121 and 122 of his book. These as you will see the ment of a new factory or an increase in the area planted by a factory can take place only with special permission of the

General

6/

I have written to Sir Vijayaraghavacharya to let me have any information available with the Imperial Council and am xx also asking Mr. Ranganatha Rao Saheb to have Mr. Penning look up -- references in London, Glasgow. I have also written to the Director, Department of Agriculture Industries and Commerce, Java as regards legislation or ordinances in that country.

Yours sincerely,

Rajakaryaprasakata
Diwan Bahadur M.N. Krishna Rao Esq., B. A.,
Senior Member of Council, Bangalore.

TELEPHONE NO. 301.

THE MYSORE SUGAR COMPANY, LTD.

TELEGRAPHIC ADDRESS:
"MYSUGAR"

CODES USED:
A.B.C. 5TH EDN. AND
BENTLEY'S

"SANTHI BHAVAN"
SESHADRI ROAD

62

Bangalore, 24th March 1933.

Ref.No. IC/691.

Rajakaryaprasaktha Diwan Bahadur
M. N. Krishna Rao, Esq., B.A.,
First Member of Council,
BANGALORE

Dear Mr. Krishna Rao,

I received yesterday from Dr. C. Van Dillewiju, Director, Sugar Experiment Station, Cheribon, Java, a copy of the ordinance governing the establishment of Sugar Factories. He ha sent me the ordinance in the original Dutch. It is my first experience of legal idiom outside of English and I must say the Dutch seem to be able to cloud their meaning in words about as well as the English.

I have made a translation of the ordinance itself which I enclose herewith. I have tried to keep it as close to the text as possible with the result that it is, in parts, anything but elegant. However, I hope you will be able to make your way through it without much difficulty.

In addition to the ordinance itself, there is a most formidable list of rules which I am translating also. They are much more complicated than the act itself. I hope to have the translation of the rules in your hands in the course of a day

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or so.

If after going through the ordinance, you would like to discuss it with me, will you please have a phone message sent to my office fixing a time?

Yours sincerely,

LCC/CNV.
Encl.1.

Chairman,
THE MYSORE SUGAR CO.LTD:

P.S. With regard to the amount of the ine a florin (f) or guilder used. have a value of about Rs 1-2-0. don't know what is its exchange value at present but it must be more than that.

ESTABLISHMENT OF SUGAR FACTORIES

Ordinance containing stipulations for the protection of the economic interests of the native population in the cultivation centres of Java and Madocra.

(Government Decree 1899, No. 263)

Modified by Government Decree 1905, No.148; 1911, No. 85; 1912, No. 11; 1916, No. 266 and 1921, No.402.

With revocation of the Ordinance of the 9th April, 1894 (Government Decree No. 87) and with the suspension of Resolution of 3rd February 1836 (Government Decree No.11) and of the Ordonance of the 29th March 1816 (Government Decre No.27) as far as the agricultural enterprises falling under the following stipulations are concerned, it is ordered as follows:-

Article I

(1) For the establishment and conduct of enterprises for the preparation of Sugar or indigo, which depend entirely or in part on the basis of agreements with the native population for the renting of land or for the purchase of crop, a licence is required from the Director of Internal Affairs.

(2) A similar licence is required for the reestablishment and conduct of sugar and indigo enterprises whose exploitation according to the judgment of the Director of Internal affairs is to be considered as having been definitely stopped.

Article II

(1) For each enterprise established before the coming into effect of this ordinance, so far as it does not entirely depend upon purchased crop, the Director of Internal Affairs will stipulate the maximum extent of the gross area of milling cane or indigo crop, which maximum will be determined according to the extent of the largest planting which the enterprise has made during the three year period, including the year in which this ordinance is established, the year previous to it and the

15

Aticle II (Contd)

calendar year following it.

(2) For enterprises established under a licence on the basis of the ordinance of the 9th April 1894 (Government Decree No.87) the conditions under which the enterprise was established, remain operative.

(3) Enterprises which during the period given in para 1 above, have worked entirely with sugar cane or indigo crop obtained through purchase, may not proceed to a planting of these crops on rented ground without a licence from the Governor General whereby also a maximum for the yearly gross planting will be established.

(4) For an extension of the plantation beyond the maximum fixed, a licence from the Director of Internal Affairs is required.

Article II A.

~~One~~ An application for obtaining a licence to extend the plantation of an existing enterprise over the maximum fixed for that plantation, can, for the whole or a part of the applied for extension of the plantation, be granted preference over other applications for the whole or a part of the same field or of the same irrigation area over applications and for a licence to establish and work a new enterprise as referred to in Article I.

Article III

(1) The Licence referred to in Article I will fix a period within which an enterprise must be brought into working or brought again into working, so also in cases where the enterprise does not deal exclusively with purchased xrop, a maximum for the extent of the yearly planting of sugar cane or indigo crop.

(2) Licences as referred to in the 4th paragraph of Article

Article III (Contd) 66

II will not be granted except under the condition that the plantation shall be extended within a definite period to the increased maximum.

(3) In addition, the licences required under Articles I & II above, can be made subject to such restricting conditions as the Governor General considers advisable.

Article IV.

(1) The licence referred to in Article I can, with full statement of reasons by the Director of Internal Affairs, be withdrawn or modified in cases when according to his judgment,

(a) an earnest beginning with the carrying out of the enterprise has not been made within a year after the date of the licence;

(b) One or more of the conditions under which the licence has been given have not been completely met;

(c) The enterprise is definitely shut down.

(2) The period fixed in sub para (a) of Para (1) can be extended by the Governor General.

(3) The conditions given in sub para (b) apply also to licences referred to in Article II.

Article IV a.

In the case of refusal of an application for a licence and also of modification of a licence already granted, the person affected is granted the right of appeal to the Governor General, provided the appeal is made within a period of three months

Article IV b.

The Governor General will regulate the carrying out of the conditions in Articles I, II and III and also will give, taking into account as far as possible the rules given in para (1) of the Article II, the necessary instructions

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for the adaptation of these rules to enterprises whose plantations may have, at the time of or after the establishment of the ordinance, been united ~~into~~ with those of one or more neighbouring enterprises or temporarily shut down.

Article V.

(1) The Governor General is empowered:

(a) In the interests of irrigation for the benefit of the agriculture of the native population, to fix areas or stretches which shall be closed for the sugar or the indigo industry or for any other kind of agricultural industry.

(b) To declare the conditions of this ordinance to be applicable wholly or in part, for one or more provinces or part thereof to agricultural enterprises other than those referred to in Article I which for their conduct require control over agricultural land of the native population.

(2) In case such a declaration of application of this ordinance referred to in sub para (b) above has been made, the Governor General will decide in the case of each enterprise ~~..... being conducted~~ to which the ordinance applies, 1.¢., the maximum area of the gross planting of the crop dealt with by the enterprise which maximum will be calculated according to the area of the largest planting done by the enterprise in the three year period including the year of the declaration and the year previous to and the year subsequent to it.

2 ¢. Where necessary separately what part of the maximum planting can be carried out on dry ground and what part on irrigated area, in connection with which consideration will be given to existing conditions.

Article VI.

(1) In case the conditions under which the licences referred to in articles I & II have been ~~given~~ granted, are not carried out or action is taken in contravention of this ordinance, notwithstanding the eventual application of the conditions

in subpara (b) of the first para and in para (3) of Article IV, the undertaker or the manager of the enterprise will be fined with a fine of ƒ 100-0-0 (One hundred guilders) to ƒ 1000 (One thousand Guilders).

(2) In case the enterprise is brought into operation without the required licence or is resumed without permission after definite stoppage and also in case one or the other takes place on another place ~~is used~~ than that fixed in the licence or the enterprise is continued after the licence has expired, the undertaker or manager of the enterprise will be fined with a fine of ƒ 50/- (Fifty Guilders) to ƒ 500/- (Five Hundred Guilders) for each day which the unauthorized operation, resumption or continuance has lasted.

Article VII

All undertakers, referred to in the ordonance, are deemed with relation to the application of the conditions mentioned above, to have selected for themselves heirs, and legal representatives, residence at the office of the Head of the District in which the enterprise is or will be established.

Article VIII

(1) This Ordonnance is applicable only to Java and Madoera.

(2) From its application are excluded:-

(a) Agricultural enterprises situated in the Residencies of Soerakarta and Djoejakarta and on ~~the~~ areas held either as private property or under the right of hereditary lease so far as these do not enter into an agreement for the leasing of lands outside the districts ~~over~~ over outside the confines of these areas for the preparation of sugar cane or indigo crops growing thereon; in which case this portion of the enterprise will be subject to the conditions of this ordonance as a separate enterprise.

(b) Enterprises for the preparation of Sugar or Indigo, which are carried out on so small a scale that they in the opinion of the Head of the District, cannot be placed in a line with the enterprises referred to in articles I & II of this ordonance.

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Article IX

This ordonance can be quoted under the title "Factory Ordinances"

Transitional Conditions.

The conditions of this ordonance do not affect rights acquired through the leasing of land according to the conditions of the Ordonance of the 26th November 1895 (Government Decree No. 247).

Secondly: This ordonance comes into effect on the day of its publication (26th September 1899)

Proceedings of the Fifth Meeting of the Sugar Committee appointed by the Imperial Council of Agricultural Research held at New Delhi, on Friday, the 3rd March 1933.

The following were present:-

1. Diwan Bahadur Sir T. Vijayaraghavacharya, Chairman.
2. Mr. B. C. Burt.
3. Khan Bahadur Maulvi Fateh-ud-Din.
4. Lala Har Sahai Gupta.
5. Mr. Walchand Hirachand.
6. Mr. W. McRae.
7. Chowdhry Mukhtar Singh.
8. Mr. S. V. Ramamurty.
9. Mr. D. R. Sethi.
10. Rao Bahadur T. S. Venkataraman.
11. Haji Abdoola Haroon (Co-opted).
12. Mr. Noel Deerr. (Co-opted).
13. Lala Hari Raj Swaroop (Coopted)
14. Mr. J. Fenton Millar (Co-opted)
15. Mr. F. A. Sherwani. (Co-opted)
16. Mr. Sarangdhar Das (Co-opted).

Rai Sahib Malik Charan Das, Secretary.

The following attended as visitors:-

1. Mr. G. Morgan.
2. Mr. D. R. Narang.
3. Lala Shankar Lal.
4. Lala Shri Ram.
5. Mr. R. C. Srivastava.
6. Mr. Wynne-Sayer.

2. The meeting lasted from 11 a.m. to 5 p.m. with an interval for lunch from 1 p.m. to 2.30 p.m.

3. The Chairman welcomed the members and said that this was a most important meeting of the Sugar Committee as the results of fiscal protection on the sugar industry were now appearing. At the last meeting things were rather gloomy;

now the outlook was much brighter and it was incumbent on the members of the Committee to build up good future for the sugar industry in India. He then referred to the sad news of the recent death of Dr. Barber, the first Imperial Sugarcane Expert who founded the Coimbatore cane breeding station, whom many members knew personally and who they all knew to have done such magnificent work for the improvement of sugarcane growing in India.

4. Representation of the Indian Sugar Mills Association, Calcutta, regarding representation on the Sugar Committee appointed by the Imperial Council of Agricultural Research (Subject No. 2 of the Agenda).

The question of the co-option of two representatives nominated by the Indian Sugar Mills Association was then taken up. The Chairman explained that the co-opted members had all the rights and privileges of regular members except that they were not entitled to vote. The Committee agreed to the appointment of Messrs. D. R. Narang and Shri Ram as co-opted members.

5. Decisions of the Governing Body on the recommendations of the Sugar Committee (Fourth Meeting) (Subject No. 1 of the Agenda).

In introducing this subject, the Chairman explained that the remark "Rejected" against certain items in the note on this subject meant that the recommendations of the Sugar Committee rejecting the schemes were confirmed by the Governing Body and not that the recommendations of the Committee were rejected. The Committee noted this and passed on to the next item.

6. Reports on the grants of Rs. 8,000 made to the Governments of the United Provinces, the Punjab and Bihar and Orissa, for devising a satisfactory small power sugarcane crushing mill (Subject No. 4 of the Agenda).

Mr. Srivastava introduced the subject and explained the progress made in the three provinces concerned in devising small power sugarcane crushing mills for which the grants

had

had been made and expressed the opinion that the grants in question had been well utilized. Mr. Walchand Hirachand referred to an item of expenditure of Rs. 1,029 incurred by the Government of Bihar and Orissa on account of the pay of Draftsman employed for this work and thought that this amount was out of all proportion to the work involved. Mr. Sethi said that the Draftsman was employed on a pay of Rs. 160 per month for six months in order to prepare plans of the designs under the instructions of the Agricultural Engineer, Bihar & Orissa. Apart from pay, there were certain other items of expense such as travelling allowance, miscellaneous expenses etc. He added that in Bihar and Orissa solid and useful work had already been done, in that two cane crushers had already been designed and a third one was being designed now and expressed the opinion that the preliminary expenditure incurred including the cost of Draftsman had been money well-spent. Rao Bahadur Venkataraman said that he had recently visited Bihar and Orissa and was of the opinion that the work there on this subject had been done most economically. He noticed that in the Punjab they had started by testing existing mills and it was only now that they had taken to the designing of mills after exhausting a good deal of the money allotted. As regards the United Provinces he enquired if it was desirable to sell to cultivators anything inferior to the final improved design. Need they sell off the Sugar Technologist's experimental

mills. 4

Dr. McRae said that it appeared that all the three Governments concerned had tackled the problem in different ways which showed that the work was not done in a stereotyped way. He was satisfied that the money had been used to the best advantage. Lala Hari Raj Swarup wanted to know what was going to be the result of researches made in this direction. Were the designs to be sold to private firms and, if so, on what terms and whether the Research Council was going to get back from such firms the money spent on designing improved mills. Mr. Srivastava explained that they wanted to have large scale tests on the ~~exp~~ experimental cane crushers and the advantage of giving the crushers to cultivators was that it enabled the purchase of cane to be avoided and the tests carried out under village conditions. The crushers had been sold at a reduced price to the cane growers telling them clearly that these machines were still in an experimental stage. In regard to Lala Hari Raj Swarup's enquiry, he referred to the Bihar and Orissa Government's letter to the Council, dated the 17th August 1932 (Appendix V to the note circulated) on the subject, which contained the conditions subject to which permission to manufacture and marketing the sugarcane crushing mill designed by the Agricultural Engineer, Bihar and Orissa, had been given. There was no question of making profits from these designs and that all that was required was that the firms selected for this purpose should be such as could be relied upon. On this Lala Hari Raj Swarup again asked that he could not understand why firms were given the permission without requiring them to pay back the money spent by the Imperial Council of Agricultural Research. Mr. Sethi explained that the Bihar Department of Agriculture had no facilities for manufacturing and that it was therefore necessary to bring in some firm to do the work of manufacture. In his province the position

was that the price of the machine was to be fixed by the Director of Agriculture; he did not favour asking the firm for the payment of money spent by the Council as the charge would certainly be passed on to the cultivator. Lala Shri Ram suggested that some members of this Committee shd. go into the whole matter and decide which was the best design and then call for tenders by means of advertisement. No one firm should be given any monopoly in this behalf. Mr. Sethi said that he feared that no one design was going to be suitable for all provinces. Besides, if a firm other than a firm near the place where the cane crushers were in use was selected there would be trouble about spare parts, repairs, etc. It was not intended to give monopoly to any particular firm but the intention was that a firm ~~xxxxx~~ able to give 'service' and suitable from the point of view of reliability should be selected for the purpose. Mr. Wynne-Sayer said that if the crushers were made in the provinces concerned the charges for their carriage would be saved and much trouble about repairs and the supply of spare parts avoided. Mr. Ramamurty enquired whether it would be open to other provinces to have designs without paying any kind of royalty. Mr. Srivastava replied that they would not have to pay any kind of royalty. Mr. Walchand Hirachand agreed with Mr. Sethi that each province should be left to design a mill which suited its purpose and to the importance of local manufacture particularly for reasons of service, spare parts etc. He stressed the importance of giving the work to Indian firms. Khan Bahadur Maulvi Fateh-ud-Din referred to the point raised in the discussion regarding the trial of existing machines at Jullundur instead of having started designing new mills straightaway and said that the mills which they had so far been trying to improve upon had already given 65-70 per cent extraction from Co.213 cane. He therefore thought that they were not far wrong in having waited. The reason for expenditure in the Punjab having been larger than in

the other two provinces was that as requested by the Committee at the second meeting they arranged to use electric power and a good deal of expenditure was incurred on electric equipment. It was decided that the remarks made by the Committee should be noted for communication to the Governments concerned.

7. Application from the Government of the North West Frontier Province for a grant of Rs.42,811 spread over a period of five years for a sugarcane research scheme (Subject No.5 of the Agenda).

Mr. Burt, who introduced the scheme in the absence of a representative from the N.W.F.P., said that it was in effect a proposal of the Indian Sugar Committee of 1920. The important points were that the scheme was definitely a link in our chain of ~~xxxxxxxxxx~~ sugarcane testing stations. Prices of gur were comparatively high in that province there was great scope for the development of sugarcane growing and very obvious room for varietal improvement. He, however, thought that the scheme was largely of provincial importance though it also had an all India aspect. He, therefore, suggested that the local Government might be asked to bear a definite share of the expenditure. Besides, he said, that according to the principles laid down by the Council to govern grants made from its funds the North West Frontier Province's Government should be asked to provide for the buildings especially residential buildings and land. Mr. Burt also observed that the senior most officer included in the scheme was an A class Agricultural Assistant in the grade of

Rs.

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Rs.100-10-300 with starting pay of Rs.200/- per mensem. He considered that as this officer will have to do a good deal of work on ~~xkxxx~~ his own he should be called Sugarcane Specialist and a man with adequate qualifications obtained, if necessary on a higher starting pay. Mr. Srivastava, in supporting the scheme, remarked that cane cultivation in the North West Frontier Province had been rapidly declining but he hoped that when the Research Station would be started the area of cane would increase. In that event, they would have to find out some way of utilising the crop. To find an outlet for the additional cane, a sugar factory might well be started but there he had his doubts as to whether a sugar factory in the North West Frontier Province would be a profitable venture. Mr. Wynne-Sayer said that when the Sugar Committee of 1920 went to the North West Frontier Province, they were met with the statement that it would be unwise to increase the area under cane in the province.largely because of the need for an adequate area under food crops. He thought that the same factor was in existence now. Haji Abdoola Haroon said that the jaggery of Peshawar District was much better than any other place of India and that cane lasted longer there. Sugar was very dear in that province and in order to meet the needs of the province he supported the proposal. Rao Bahadur Venkataram was not prepared to recommend the scheme as a whole on the full expenditure proposed. He supported the scheme with the conditions proposed by Mr. Burt. He also suggested that the

Department

Department of Agriculture in the North West Frontier Province should be asked to try and see whether they could not carry on the variety testing on existing farms especially in the interim before the new station was ~~xxxxxx~~ started. He said that the local Government intended to depend on other provinces for the chemical work to be done under the scheme. His experience was that if chemical work was to be done at all, the Chemist must be on the spot. What was wanted in cane work was not that the analysis should be adjusted to the convenience of a particular organisation but that there should be facilities to analyse the cane whenever they wanted. He therefore urged that one of the Assistants provided for in the scheme should be an Agricultural Graduate who had specialised in Chemistry Mr. Srivastava suggested that the North West Frontier Province Department of Agriculture might be asked to supply more information in regard to the high cost of cultivation, the suitability or unsuitability of the place under climatic conditions and the changes in varieties which might reduce the cost of production, and to revise the scheme in the light of the discussion and then submit the revised scheme for re-consideration by the Committee. Mr. Burt agreed with Rao Bahadur Venkataraman that there must be a Chemist on the spot. He had not raised the point himself because he was not certain whether the re-organisation of the North West Frontier Province Agriculture Department would include the appointment of a provincial agricultural Chemist. He said that there would be no progress until the province had a cane farm in its cane growing

area,

area, which was mainly the Peshawar Valley. Turnab farm was not suitable for a cane testing station. The province had also a very curious season and it was essential that they should get varieties which suited local conditions. He suggested that the Committee might approve of the proposal in principle with the modifications suggested in the course of the discussion and that the matter should be discussed with the North West Frontier Government and a revised scheme put before the Committee by circulation. He had arranged to visit the North West Frontier Province in April and would discuss details with the Chief Agricultural Officer. After a further discussion in which several members took part, the suggestion made by Mr. Burt was approved.

8. Application from the Government of Burma for a grant of Rs. 11,200 spread over a period of three years for a scheme of research into parasites to control the beetle pest of sugarcane in Burma (Subject No. 6 of the Agenda).

Mr. Burt, in introducing the scheme, said that as pointed out by Mr. McKerral Burma was taking greater interest in the extension of sugarcane cultivation since the recent increase in the sugar tariff. The question of controlling this beetle pest was of immediate importance and it was necessary to devise some means of combating the attack. In his opinion, the question was not merely one of provincial importance but it affected the whole of India and as such it should be supported by the Committee. Mr. Noel Deerr agreed with Mr. Burt and saw that there was a possibility of this pest spreading all over India; he supported the scheme. On being put to vote, the Committee recommended the scheme for sanction.

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Application from the Government of Bihar and Orissa for an additional grant of Rs.29,388 spread over a period of four years on account of extra staff, equipment, etc. for the scheme of sugarcane research already sanctioned by the Council (Subject No.8 of the Agenda).

Mr.Sethi, in introducing the scheme stated that the Bihar and Orissa Government's original scheme for the sugarcane station was considerably reduced on the suggestion of the Director of Agriculture, United Provinces, and referred to Appendix III of the note circulated on the subject which showed that there were three entirely different tracts for purposes of sugarcane cultivation in that province. He came to the conclusion that possibilities of expansion of sugar industry were very large in all the three tracts. He also explained at length the programme of work already in progress and the results achieved up-to-date and expressed the view that the Sugarcane Specialist who was working single-handed during the last ten months had achieved results of importance but it was impossible for him to do more. It was, therefore, necessary that the extra help now asked for should be given. He pointed out that on their part the Bihar and Orissa Government would provide all the land required as well as all the non-recurring expenditure. In view of the results achieved and progress made so far, Mr.Sethi thought that the extra help asked for was essential and, in view of the urgency of the matter, he suggested that the Committee might support the scheme and recommended that the sanction of the Imperial Council of Agricultural Research to it be obtained by circulation.

Rao Bahadur Venkataraman said that he had recently been to the new Bihar research station at Musheri and seen the work on the existing scheme in detail. He had nothing but praise for the manner in which the work was being done. Germination was very satisfactory and things were being worked on a marked scale. It seemed to him that the Sugarcane Specialist had, what may be called, a corporate idea as to what was happening in connection with the scheme. He was in touch with

with all the Sugarcane Experts in the provinces and had also started soil survey, classification and correlation of best canes to particular soils. He was perfectly satisfied with the work in every way. The scheme was then put to vote and carried with the rider that necessary sanction to it be obtained by circulation.

10. A scheme for an Imperial Sugar Research Institute (Subject No.9 of the Agenda).

Mr.Burt introduced the subject and said that he desired to make it clear that the preliminary proposals contained in the notes did not constitute a scheme for the approval of the Committee but that the Committee was invited to formulate its own scheme for a central Sugar Research Institute if the idea commended itself to the Committee. He explained that the figures given in the note on this subject were those given to the Select Committee of the Legislative Assembly on the Sugar Industry Protection Bill according to the information that was then available.

Members would remember that the Tariff Board had recommended a statutory annual allotment of funds to the Imperial Council of Agricultural Research, for research. This was not accepted by Government who however gave certain undertakings in the matter and information had to be supplied at short notice as to the probable cost of research in the future. The Indian Sugar Committee of 1920 had emphasised the need for such an Institute. This committee was not, however, committed to any of these details. He expressed the view that the work of the Sugar Technologist to the Council had been of the greatest value and its fullest development was essential to the healthy growth of the sugar industry. Continuing Mr.Burt said that sooner or later the Indian tax-payer would expect the Indian sugar industry to stand on its own legs so that an efficient industry was essential. O n e

fundamental

fundamental need was arrangements for the collection, coglation and study of the results obtained in different factories so that all might benefit by experience of each. That required a very special organisation because no business concern would place its figures before competing concerns but there were many contributions to general knowledge which every firm was willing to make. The modern spirit in industry was that much more could be gained by co-operation than by old fashioned secrecy. Then they had to provide for continuous research in sugar technology. Unless they had active research going on in some of these matters they would be constantly behind the rest of the world. Mr. Walchand Hirachand suggested that the question be referred to a sub-committee of the Sugar Committee to go into the whole matter. The Chairman stated that it would be better if, before the matter was referred to a sub-committee, the principle of the proposal was approved by this Committee. Lala Hari Raj Swarup said that they had fought hard in the Assembly to get funds for the Sugar Industry. The country was lacking in trained Technologists and Engineers and if classes were started at the Central Institute to produce such men it would be a great service to the Sugar Industry. He supported the principle of the proposal and the appointment of a sub-committee to prepare a detailed scheme. Messrs. Wynne-Sayer and Sherwani also supported the proposal. Mr. Morgan said that the Research Institute was no doubt a necessity but feared that the industry was rapidly expanding and by the time funds were available for this scheme factories would have been working inefficiently and an Institute like the one proposed would then be of no use. After some other members had spoken the general principle of the proposal was approved and it was decided that a Sub-Committee be appointed by the Chairman to examine the whole question.

11. Proposals for the initiation of future research into the insect pests of sugarcane (Subject No.7 of the Agenda).

Dr. McRae, in introducing the subject, gave exact

exact figures showing the loss caused by insect Pests, as a percentage of the canes growing, on his experimental Mosaic plots at Pusa. Borers had accounted for the loss of 40 % of the plants and termites for 19 %. These figures were for carefully cultivated, replicated, experimental plots and were ~~SXXX~~ statistically reliable. Next year he would be able to give tonnage figures. We did not know how to combat a severe attack of these insects and there was no doubt that in addition to the regular annual loss there was serious risk of such pests as borers assuming the magnitude of an epidemic in years favourable to their multiplication. He emphasised that there was great danger and agreed that a Committee of Entomologists should be appointed to consider the matter. Mr. Wynne-Sayer feared that unless suitable control measures could be devised the sugar industry might be faced with the loss in a bad year of one-half of its raw material. He thought that the industry was exposed to a very great danger on account of the borer. The problem was very big and should, in his opinion, be treated as immediate, everything else being pushed aside. Very great risk was involved in delay. A good man was required atonce. In the end the appointment of a Committee of Entomologists to consider the matter was agreed to, the personnel of the Committee to be selected by the Chairman as usual.

12. Model Rules framed under section 6 of the Sugar Industry (Protection) Act, 1932.(Subject No.10 of the agenda).

At the instance of the Chairman Mr. Srivastava explained the intentions of the Tariff Board on the question of cane prices with reference to para 101 of the Board's Report. The object of the rules was to enable the cane grower to have some idea of the price of cane during the period of protection

protection to the industry. In drafting the [illegible] however, he had made two departures from the recommendations of the Tariff Board, namely, (i) that while the Board proposed the minimum price of cane to be fixed at -/8/- a maund, he had fixed this on a sliding scale with a minimum price of -/6/- per maund and (ii) instead of the weekly Calcutta price of sugar recommended by the Board, he had recommended the fortnightly prices of Java white Sugar in the Cawnpore market, in the case of the United Provinces and the principal markets in the other provinces concerned. The first departure was necessary in view of the changed conditions since the Tariff Board reported while the second was considered to be more accurate and useful for the cane farmers. Mr. Ramamurty stated that the rules issued by the Bihar & Orissa Government made no mention of any formula according to which the prices of cane would be calculated and enquired whether any such formula would be needed. He felt a difficulty in applying these draft rules to Madras as there were different varieties of canes and prices given were not the same, instancing the different prices fixed by Messrs. Parry & Co. as an example. He therefore considered that the rules should be expanded and that a formula should be devised which would be applicable to different types of cane. He also wanted it to be made clear whether the rule regarding the posting of notices relating to prices of cane would be applicable to small factories as well. Mr. Sethi considered that the mere posting of a notice of this sort at the entrances to factories would not be enough and that provision was necessary to enable local Governments to enforce the posting of such notices at all places where cane

cane was purchased. He too thought that provision in the rules was necessary as to how prices would be fixed for different varieties of cane. Mr. Noel Deerr stated that the subject was of very great importance to the sugar industry. He wanted better co-operation between the miller and the cane grower. Any fixation of prices by Government was in his opinion inadvisable except in emergencies, as that would constitute an interference with the industry. He thought that the question of prices should be left to be settled by the law of supply and demand and that no legislation in this respect should be necessary with the protection already granted to the industry. If closer co-operation between the miller and the small grower could be established it would enable the miller to deal directly with the cane grower so that the coffers of the middleman would not be swelled. Machinery would, however, be needed to ensure that the small grower was protected from exploitation by the miller. As regards prices he would not leave these to be determined by the efficiency of the factories purchasing cane. Then in the matter of calculating prices of cane based on prices of sugar,

he would

take as the basis, not the recovery of sugar during the previous year but the average recovery of the last five years. Prices of cane were different in different provinces according to quality, varieties, etc., and it was therefore essential that price fixing should be based on the economic principle, namely, that profits for the miller and cane grower should be in proportion to the outlay of each. The section of the industry which he represented would agree to legislative control and a rigid system of inspection if a workable scheme in the interests of the industry as a whole could be devised. He thought that any legislation in this respect should provide for the protection of the small grower from exploitation by the middleman. Lala Shri Ram considered it wrong in principle to fix minimum prices for cane. Profits should go to all the three parties involved, namely, the cane grower, the miller and the consumer, the amount of this to depend upon the sale price of sugar. As these prices fluctuated from place to place and from time to time, the price received for cane would also fluctuate accordingly and would not be fixed. While there was no difference of opinion on the question of helping the cane grower, he would leave the price to be settled by the law of supply and demand. He also thought that had the Tariff Board been aware of the possibilities of fluctuations in the price of sugar, they would not have thought of any minimum prices for cane at all. Mr. Morgan considered that the fixation of a price for cane on a sliding scale would be placing a premium on inefficiency in factory operation. He thought that cane was still more profitable than other crops to the cultivator. /

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Mr. Sherwani's opinion was that while the cane grower should get the highest price for cane, a minimum price was not possible in the present circumstances. An assured high price would mean a very great stimulation in the cultivation of cane and this, by resulting in over production would reduce prices and the ultimate result would be that according to the well-known economic laws, cultivation would diminish till the prices again rose. Ch. Mukhtar Singh definitely contended that the price of cane should not be left to be determined by the law of supply and demand at all. Once Govt. undertook to protect the sugar industry, they should also protect the cane grower by prescribing how much of the profits resulting from protection should go to the grower. In this connection he referred to the surprisingly low prices paid for cane in certain places. Mr. Walchand Hirachand at this stage raised a point of order and enquired whether all this was relevant to the point under discussion. To this Ch. Mukhtar Singh replied that his object was to see that the model rules placed before the Committee were revised suitably so as to give an assured price to the cane grower. Such price might be based

on the percentage recovery of sugar or quality as the case might be. But the portion of the profit should go to the cane grower and any wrong information as to profits realised by factories should be visited with heavy punishment as in the case of the action taken by the Chines Govt. for the prevention of adulteration of milk. His point was that the cane grower should be told that a certain price for cane was reasonable and that a Sub-Committee should be appointed to fix such prices from time to time.

Mr. Wynne-Sayer stated that so long as the rules did not fix any formula for determination of prices, they could not help the cultivator. The greatest help that couldbe given to the industry was to fix a certain rate and see that the cultivator got that rate for his cane. The notice re: prices would not help the grower in any way. Mr. Sethi saw great difficulty in devising measures to see that the cultivator was paid at any definite rate. It was administratively almost impossible. At this stage the Chairman intervened and explained that the sugar Industry (Production)Act did not provide for a fixation of prices to be paid to cultivators and that any action in that direction would require an amendment of the Act. The present subject related to rules under the existing Act. There was, it seemed to him, no point in continuing the discussion in that direction. He added, however, that discussion on the question of fixation of minimum prices would be relevant when subject No.14 of the Agenda came up for discussion. Mr. Burt said that the question of prices of cane would come before the Committee later on as a separate subject and suggested that further discussion should be confined to the rules as framed under the existing

Act. The question of further legislation would be a separate subject altogether. The report showed that the Tariff Board considered all these points very carefully. The present rules were intended to place the cultivator in the same position as the trader by making available to the former information regarding prevailing prices. This alone was the object of the rules and he asked the Committee to approve the same. In the end the Committee decided that the points raised in the discussion be noted and passed into the next subject.

13. Indian Sugar and Protection- an Economic aspect of the question-by Mr. Noel Deerr (Subject 14 of the agenda)

The Chairman requested Mr. Noel Deerr to open the discussion on this subject. Mr. Noel Deer began with saying that the question was primarily an administrative one. He thought that the protection given to the sugar industry had not improved the condition of the small holder at all and claimed that a higher standard of agriculture in regard to cane production was necessary in India. This he thought could be achieved only be a better and more intimate relation between the miller and the small holder or cultivator. If this were established, the capitalist could help the small agriculturist and the result would be improved methods of agriculture and better production. The zone system would enable this to be achieved. The cultivator and ——————→

the miller work side by side and by the creation of mutual vested interests better results would be gained in all respects. One objection that might be brought forward to the system was that by fixing zones, there would be no competition between the factories ~~XX~~ and this might result in the miller exploiting the small grower. To guard against this legislation would be necessary for prescribing a fixed minimum price for cane. This would stabilise the industry and would also attract more capital into cane growing. As regards the price of cane under this system, it should be based on a reasonable efficiency of the factory. This would also have the effect of forcing the factory to increase its efficiency as well. Mr.Deerr therefore suggested the need for introducing a zone system coupled with price regualtion and claimed that it was after long study of the subject that he had come to such a conclusion. Mr.Srivastava asked how it was possible to ensure by legislation the payment of a fixed rate for cane under the zone system. It appeared from the discussions on subject No.10 that it was administratively impossible to devise means for seeing that the cane grower actually received any definite price for his cane. If therefore no steps could be taken to ensure the payment of any definite rate for cane, the advantage to the small holder under the zone system would cease to exist. The Chairman pointed out that Mr.Deerr in making this suggestion had fresh legislation in mind, but Mr. Srivastava thought that the administrative difficulty remained. Rao Bahadur Venkataraman stated that he had always been in favour of the zone system as an ideal thing for the proper development of the industry. But he wanted that if under this system a particular grower was required to sell cane only to a particular factory within his zone there should be a corresponding provision to require that the factory also purchased cane from the same grower. But the question as to how the zones should be fixed was a difficult one in his opinion. In this connection he suggested that

that to ensure protection of the growers' interests, they should be given shares in the factory in their respective zones. At the same time he knew that it was to the advantage to the grower to have more than one factory to which he could sell cane as he would stand to gain by the rivalry of the factories. Then again the area of the zone would have to be changed year to year as found necessary. There was no great danger to the grower in the matter of prices as the fear that the supply of raw material would be affected would make him pay a fair price to the grower.

Mr.Sayer considered that the zoning should be done by a committee composed of two growers, two factory owners and one official. This would ensure the protection of the interests of all concerned. At present the grower had to sell cane at distant places through the medium of contractors. This resulted in his getting a lesser share of the profits eventually obtained. The zone system would be of advantage both to the grower and the miller. The third party in the Committee, viz., the Government official would see that the grower got cash payment for his cane and the transactions between the grower and the miller would be conducted with his knowledge. The presence of such a central authority would also result in effecting better treatment to the grower. He considered that legislation in this direction would not be unjust. As regards the suggestion by Rao Bahadur Venkataraman that growers should have shares in the factories, Mr.Sayer thought that the cane growers generally would not take advantage of such facilities. Some firms had tried it. At this stage the Chairman adjourned the meeting till 11 o'clock on Saturday, the 4th March 1933.

Charan Das,
Secretary.

New Delhi,
3rd March 1933.

Proceedings of the Fifth Meeting of the Sugar Committee appointed by the Imperial Council of Agricultural Research held at New Delhi, on Saturday, the 4th March 1933.

The following were present :-

1. Diwan Bahadur Sir T.Vijayaraghavacharya, Chairman.
2. Mr. B.C. Burt.
3. Khan Bahadur Maulvi Fateh-ud-Din.
4. Lala Har Sahai Gupta.
5. Mr. Walchand Hirachand.
6. Dr. W. McRae.
7. Chowdhry Mukhtar Singh.
8. Mr. S.V. Ramamurty.
9. Mr. D.R. Sethi.
10. Rao Bahadur T.S.Venkataraman.
11. Haji Abdoola Haroon, M.L.A. (Co-opted)
12. Mr. Noel Deerr. (Co-opted)
13. Lala Hari Raj Swaroop, M.L.A. (attended in the afternoon only). (Co-opted)
14. Mr. J.Fenton Millar. (Co-opted)
15. Mr. D.R. Narang. (attended in the afternoon only) (Co-opted)
16. Mr. Sarangdhar Das. (Co-opted)
17. Mr. F.A. Sherwani. (Co-opted)
18. Lala Shri Ram. (Co-opted)

Rai Sahib Malik Charan Das,
Secretary.

The following attended as visitors:-

1. Mr. G. Morgan, M.L.A.
2. Lala Shankar Lal.
3. Mr. R.C. Srivastava.
4. Mr. Wynne-Sayer.

2. The meeting lasted from 11 a.m. to 6 p.m. with an interval for lunch from 1.25 p.m. to 3 p.m.

5. Indian Sugar and Protection - an economic aspect of the question, by Mr. Noel Deerr (Subject No.14 of the Agenda.

Discussion on this subject was resumed. Lala Shri Ram said that they were discussing the advantages or disadvantages of the zone system. He confessed that he was not convinced about the advantages mentioned by Messrs. Noel Deerr and Wynne-Sayer. In his opinion, the advantages were imaginary. The other point made out by the other side was that if there was zone system then the efficiency of the factory would increase. The factory owners would take much greater interest in producing better class of cane which was to the benefit of the grower. This, he said, was against the laws of nature as he thought it was only competition that brought about efficiency. Before protection was granted to the Sugar Industry there was practically a zone system. There were not many factories going up, capital was shy and what did these factories do in the way of looking to the benefit of the growers? He wanted to know whether any prices were fixed then, any tube wells sunk, whether better quality of seed was distributed. He did not think that the Committee would be doing a right thing in giving its blessing to the zone system. In his opinion, the grower would never get the prices fixed for the cane. In fact, it was very difficult to fix a price and to see that the grower did get that price. If the zone system was adopted and the factory in the zone broke down or if it did not pay to run the factory or the production of cane increased, what would be the position of the grower Then there were the Khandsaris. Were they to be allowed in the zone or not. Lala Shri Ram thought that it would be very difficult for a person who grew his own cane not to be allowed to have his small factory and make sugar either by the old or by the new system. He was not sure

as to what would be the position of this factory owner. We would be putting him in a very aukward position indeed. He enquired whether anybody had thought of giving zones to other industries that did not have protection to the extent of 200 per cent such as cotton mills or ginning factories or jute mills or any other industry that did not have the protection. He went on to discuss the pros and cons of the system and was finally of the opinion that no case had been made out for the zone system. He, therefore, opposed the proposal with all the force at his command. He also said that there was a feeling amongst certain factory owners that at the back of this zone system suggestion there was the idea of some sort of patronage. It might be entirely wrong but the feeling was there. Haji Abdoola Haroon could not say whether there was some other motive behind the suggestion but on the surface of it, he thought that the zone system would help in the improvement of the quality and quantity of cane and enable the sugar industry to stand on its own legs. In his opinion, it was no use to support or reject the proposal hurriedly but it should be considered very calmly and seriously. Lala Shankar Lal said that after the meeting yesterday he had a little talk with the father of the scheme, Mr. Noel Deerr, who had told him that the proposal was more for the benefit of the cultivator than for the capitalist. In this connection he referred to Rao Bahadur Venkataraman's pertinent question as to whether each factory would guarantee to take all the cane that the cultivators would produce in its particular zone. He did not see how the cultivator could be asked to sell all his cane to one persons and to no one else. In his opinion, the interests of the cultivator and the factory owners were inter-twined. The capitalist

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was impotent without the cultivator and the cultivator was more or less useless without the capitalist. Their interests must go hand in hand and it should be left to the private enterprise of the capitalist to encourage the growt of better qualities of cane. Mr. Srivastava said that he had before him a list of 63 factories in the United Provinces and Bihar and Orissa and he had gone to the trouble of finding out the exact distances between these factories and calculating what should be the normal zone in order to get the requisite area of cane for each factory. The factories, of course, differed in size and crushing capacity but assuming that all the factories were of the largest size common, that is to say, crushing 20 lakhs of maunds of cane per season, it would be found that an area of approximately 4,000 acres was required for supplying cane to each factory. 4,000 acres was approximately 6 square miles, if all in one block. Assuming again that only 5 per cent. of the area was under cane available for a factory then to get 6 square miles of cane an area of 120 square miles would be required. That would give a zone of approximately 6 - 7 miles radius. Continuing, he said that in 3 cases, two factories were at one station, in two cases the factories were two miles apart and in three cases there were factories 5 miles apart. All the other factories were at greater distance than that required by the zone system based on this calculation and had land in their zone. In conclusion, he said, that the problem did not really exist to the extent as it was supposed to be. In answer to Mr. Morgan, the Chairman informed him that there was no law to prevent another 63 factories starting in the same place. Mr. Sherwani, was against the introduction of zone system. He suggested that a sub-committee should be appointed and the first and foremost question to be investigated by that Committee should be

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how to increase the output of land because the land was in the hands of timid and very poor cultivators who could not and would not take to modern methods. The committee should also investigate as to what means should be adopted to induce cultivators to adopt modern methods. Mr. Ramamurty said that the difficulties pointed out by Mr. Noel Deerr in the case of the sugar industry existed equally in the case of other industries also. If the zone system could be applied at all, it could only be applied in areas where sugar was produced according to one method. If khandsari and factory methods existed together, the zone system could not be applied. He would leave things alone. Chowdhry Mukhtar Singh was not in favour of the zone system and he advised Mr. Noel Deer to think twice before giving his blessing to this system. It had been said that the zone system would enable the cultivator to get the minimum price fixed for cane but where was the guarantee that the money would go directly in the hands of the cultivator. With the adoption of a zone system, a system of licensing of factories was bound to come in and the licenses would obviously be given by the Government in which case several considerations would arise leaving ample room for patronage and corruption. Haji Abdoola Haroon said that there were three other factories adjoining his in Champaran and they had arranged a voluntary zone system and adjusted their cane contractors accordingly; the cultivator was assured of getting at least 5 annas a maund for his cane. He suggested that the Provincial Governments as well as factory owners should be asked to express their opinion on the zone system. Mr. Morgan wanted to know from Haji Abdoola Haroon whether the price paid by them in North Bihar was paid into the hands of the cultivator. If that was so, then there was no need of finding out whether the

cultivator

cultivator actually got the price paid by a factory owner. His experience in Eastern Bengal was that it was not possible to trace the distribution of money once it was paid to the contractor or dalal or anybody else connected with the middleman's work. Unless they had a system by which a contractor or a dalal was not required to handle the actual rupees there was no hope for the cultivator of getting the money. In answer Haji Abdoola Haroon said that they paid the cultivator through the contractor but in their agreements with the latter it was provided that he should pay at least 5 annas to the cultivator. They had provided for a fine in the agreement for non-compliance of this condition of the contract. In answer to the various points raised in the course of the discussion, Mr. Noel Deerr said that Messrs. Begg Sutherland and Company had helped cultivators by lending them ploughs and tractors for their use without any charge. He said that small khandsari factories would not come into the zone system but would be free to buy independently. In the zone system there would be no compulsion on the grower to sell his cane to any factory if he did not wish to do so. All that he wanted to guard against was that one factory should not be allowed to reap the benefit of pioneer work done by another factory. The licensing system existed in Java. There was no compulsion on the small-holder to lease his land- the factory was allowed under certain conditions to lease a certain portion of the land for cane cultivation. The Government regulated the conditions and ensured that no second factory was erected in a zone. With regard to the failure of the crop in certain seasons and the factory being left without cane, he said that that was a commercial risk and every factory should be prepared to undertake it. The contractor, he said, was an unnecessary evil and he ought to be eliminated. His Company were very particular about paying

paying the price into the very hands of the suppliers of cane. Sometimes the grower of cane was different to the carter. In that case, the carter took the money. In certain areas they had reached direct dealings with the villagers, and each village selected its own representatives who, in consultation with the Company's Cane Superintendent, made arrangements for the supply of cane. In that way the need for Jamadars had been done away with. His idea in bringing in the zone system was to protect the cultivator and at the same time to give a measure of stability to capital which was necessary to the development of the sugar industry in India. At this stage the Chairman stated that the discussion had shown that the zone system was not to restrict the liberty of cane producers, but that it was meant only to keep new factories being started in developed areas. Mr. Walchand Hirachand said that he understood that the Bihar Government were against the zone system and also the United Provinces Government. The Madras Government were also probably not in favour of it. The scheme for zones was examined and discarded by the Indian Sugar Committee of 1920 and also by the Tariff Board who re-examined the question in 1931. The question had also been considered at the first meeting of this Committee and they were against the system. The outstanding difficulties had been well put in the Secretary's note of 7th January 1933 on the subject. He said that by the adoption of the zone system the capitalist perhaps wanted a further assurance to the protection already given. wants an assurance that no competitor should come in. He suggested that the Committee should not do anything in the matter at the present moment. The industry seemed to be

be going ahead rapidly and he wanted to wait and see how things shaped. Mr. Wynne-Sayer was not in favour of turning down the proposal. He said that the very fact that this question was coming up showed that all was not well and, in his opinion, there would be a good deal of trouble if something was not done now. Mr. Srivastava wanted Mr. Noel Deer to define a competing factory. He said that Mr. Noel Deer had laid a great deal of stress on the Java system of cane cultivation. In his opinion, it was absolutely impossible for Java system or any system approximating to it to be brought into force in India. Under the Java system sugar factories took land on voluntary leases and grew their own cane on the leased land. The system was not practicable in India. In drawing the attention of the Committee to the remarks made by Haji Abdoola Haroon regarding the zone system arranged between him and Messrs. Begg Sutherland and Company, Mr. Srivastava said that he was glad that the arrangement had been made amicably. But Haji Sahib had admitted that neither of them were able to take up all the cane produced. Now if that system had been enforced by Law, what would have happened to the cane which none of them were able to take up and which no other factory would have been allowed to purchase. Here, he said, was the evil of the zone system. Referring to the proposals of Mr. Sayer regarding the survey of cane areas, Mr. Sethi enquired how it was proposed to carry out such surveys and who could bear the cost. Mr. Sayer replied that in North Bihar it would not be difficult to define the zones; they were pretty well known already. No further survey was required than of the area that lay within 8 - 10 miles from the railway stations. As regards the United Provinces, they had a revenue staff who had all the facts pretty well recorded.

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corded. As to South Bihar he did not know enough about the conditions there. Here Mr. Sethi informed the Committee that the Government of Bihar and Orissa were definitely of opinion that no zones were necessary in South Bihar. Mr. Burt said that there were clearly strong difference of opinion in the Committee as to the feasibility and desirability of the zone system. The urgent problem was to secure some kind of co-operation between the sugarcane grower and the sugar factory. They could never face world competition if they were going to have two sets of producers working in water-tight compartments. Sooner or later India wanted to be in a position to compete with countries whose sugar industry was highly developed and where cultivation and manufacture were closely linked. The Java system was not suitable to this country but they must devise something which will enable them to meet world competition. He felt that the question had not been sufficiently explored. He suggested as one line which might be further developed the formation of Cane Growers' Co-operative Societies for the supply of cane to factories. In some areas there seemed to be distinct possibilities of starting co-operative societies which would make cane contracts with the factories. He thought that no decision on this important subject should be taken just now but that the matter should be left over till the next meeting of the Committee. In the meantime, further information should be collected and the possibilities of securing close co-operation between growers and millers explored. Mr. Walchand Hirachand did not agree with Mr. Burt. He thought that the Committee should record its decision today. The question had been discussed thorou in the Committee. Dr. McRae agreed with Mr. Burt that they had not yet thought enough about the zone system and said that the Committee

should

should really postpone it rather than take a vote on the subject. The amendment of Mr. Burt that no decision be taken on the question at the present moment was then put to vote and carried.

4. Venue for the sixth meeting of the Sugar Committee (Subject No.17 of the Agenda.)

The Chairman said that there seemed to be a desire on the part of many members of this Committee that the next meeting should be held at Coimbatore so as to enable them to see the work being done there in connection with cane-breeding. Rao Bahadur Venkataraman had informed the Council that for this purpose some time between the 15th of October and the 15th of November would be most suitable. If the Committee agreed to holding its next meeting at Coimbatore, he would take the necessary steps in the matter. The Committee unanimously agreed to the next meeting being held at Coimbatore.

5. Demand for Brown Sugar (Subject No.13 of the Agenda)

Mr. Srivastava, in opening the discussion on the subject, said that he had collected statistics and market quotations and an other information that he could possibly get in connection with Brown Sugar. It was obvious from these that the demand for brown sugar had considerably falle and that the production had also increased, but as to the remedy all that he could say was that if brown sugar was not in demand or was not profitable to make they should stop making it. It was within the powers of modern sugar factori to do that,and they should make only No.I sugar and not No.II. But the position of the Khandsaris was very differen They could not produce sugar above a certain standard. He thought that the assistance that was being given for making improvements in methods and the machinery employed should be continued. Anyhow, the Khandsaris should be ready

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for much keener competition than had been the case in the past. Chowdhry Mukhtar Singh thought that there was a possibility of producing some intermediary product which would not be as liquid as rab and not as solid as gur. This product could then easily be mixed up with molasses when required and centrifugal-ed. There was also a possibility of turning the Khandsari sugar into crystals and then it would not take much money to put such refineries as could deal with this. He thought that a better class of sugar could be brought into the market and the competition eliminated to a great extent if the Khandsaris produced yellow sugar, instead of white sugar, and then refined it with the help of a small refinery. It was impossible for the sugar factories to deal with all the cane in India even if the factories were multiplied by 300 per cent. He, therefore, suggested that the Sugar Committee should recommend the putting up of a very small experimental plant under the Sugar Technologist who should study the possibilities. The Khandsaris should be assisted and the Sugar Committee should give a lead just to show them how their sugar could be made as marketable as the factory sugar. He suggested that Mr. Srivastava should be asked to go into the whole question so as to see that the experimental plant was started next season. Lala Har Sahai Gupta agreed with the views expressed by Chowdhry Mukhtar Singh and said that the Khandsari system could only last if they could make a better quality of sugar, a sugar which could be used for direct consumption in tea, confectionery, etc. He thought that if the research station already sanctioned for the Sugar Technologist could be soon brought into existence then much trouble would be eliminated. Mr. Srivastava thought that the suggestion made by Chowdhry

Mukhtar

Mukhtar Singh was worth trying and the work to be carried on in this connection would certainly be facilitated by the inauguration of the research station already sanctioned. A good deal of the work suggested could be done by him in Cawnpore in the experimental factory there but he had no money at his disposal for preparing rab. Haji Abdoola Haroon asked Mr. Srivastava if he could suggest how the Khandsari system could compete in the long run with the mills. Mr. Srivastava stated that the Khandsari system had an advantage over the factory system in certain ways. For instance, it had the advantage of low initial capital, low working expenses, overhead charges, depreciation charges etc. and on account of these advantages a Khandsari is getting a recovery of 5 to 6 per cent could pay the cane grower 4½ to 5 annas per maund for cane, which if converted into gur at present prices would not even bring in 2½ - 3 annas per maund. As to whether the Khandsari system was better than the factory stem we all knew that it was not, but it was certainly better than gur making. In the end the Committee noted the suggestions made in the course of discussion for consideration.

6. Minimum prices and sliding scale prices for cane. (Item No.16 of the agenda).

Chowdhry Mukhtar Singh pointed out how necessary it was that the cultivator should be enabled to share the profits gained by the sugar factories as a result of the protection granted to the industry, so that he (the cultivator) might be able to grow better cane and thereby contribute to the further improvement of the industry. A better price for cane would give the cultivator a greater incentive to improve the output and quality of the crop. The Chairman suggested that Chowdhry Mukhtar Singh should now move his Resolution first and the latter accordingly

moved

moved as follows :-

"This Committee draws the attention of the Government to the fact that the owners of sugar factories have nowhere paid for cane at the rate contemplated by the Tariff Board and that at some places the price paid by them is not sufficient to cover the cost of cultivation and thus one of the main objects of the Board, namely, to help the sugarcane grower to achieve which it recommended protection to the sugar industry, has been altogether defeated and this Committee therefore urges it on the Government to adopt early measures to fix the minimum price of cane for different localities and to see that the price so fixed reaches the pocket of the sugarcane grower This Committee is further of opinion that the mere publication of the rates considered fair by the Government will not serve the purpose unless the owners of factories are compelled to pay for cane at those rates

The Resolution was seconded by Lala Har Sahai Gupta. Chowdhry Mukhtar Singh then stated that the first part of the resolution was quite correct as the Tariff Board actually contemplated the payment for cane at 8 annas a maund. He was quite certain that the prices paid at present were not enough even to cover the cost of cultiwation. As for the minimum price he did not want to say anything as that would depend upon the locality, quality of the cane and such other factors. But he wanted that a proper minimum reasonable price which would not make the grower out-of-pocket must be fixed and that Government should see that the grower was paid at that rate. In this connection he cited the practice

obtaining

obtaining in Queensland where the minimum prices were fixed by Boards consisting of two representatives of growers, one miller and one Government official. He saw difficulties in organising similar Boards or Committees for the same purpose in India. What he wanted to emphasi was that once Government took upon its shoulders the responsibility of fostering the sugar industry in India by the grant of protection, it should be binding on Goverr ment to see that the cultivator of cane also got the amou of protection necessary for him. Lala Hari Raj Swarup then moved the following amendment to the Resolution seconded by Mr. D.R. Narang :-

"That this Resolution though good in principle i premature and inseperable from the zone system; therefor its consideration be postponed till further information available". He explained that he wanted the discussion this subject to be postponed as the industry was still i its infancy, prices were falling and there was no certai as to the ultimate price of Indian sugar in Indian marke Until the industry was fully stabilised there would be n reliable data to proceed upon. Moreover when the Commit was not in a position to say definitely whether the zone system was necessary or not due to similar difficulties, how could it be assumed that the existing prices for sug would continue and how could the prices of cane be worked out for all the future. He desired that the zone system and this question should be considered together in the light of fuller information at some later date. Lala Shri Ram thought that the fact was that the miller and cane grower were getting fatter at the expense of the consumer. He said that the conditions were different from place to place according to the quality of cane, cost of transport, etc., and it would not be possible for Government to fix up any minimum prices for cane based on any principle.

He

He suggested that Chowdhry Mukhtar Singh should first prepare the necessary draft rules and formulae and submit them for criticism. To make rules which would be acceptable and workable would be a difficult thing for Government under existing conditions. Chowdhry Mukhtar Singh s that he would rather have the minimum prices fixed b Government first and then steps could easily be tak make the necessary rules. He was opposed to any pr which would mean the postponement of this important tion. It could not be linked with the zone system as the matter was not one which could wait indefinitely, he asked that either the principle of his resolution should be accepted or that it should be turned down. At this stage the Chairman put to the vote of the Committee the question whether the discussion on the question be postponed or not and it was decided that the discussion should be continued. Mr. Sherwani stated that the present prices offered for cane were fair enough and wanted to know whether the proposed minimum price would be for a small period or otherwise. The Chairman thought that the subject had been discussed sufficiently and therefore put the following proposition made by Chowdhry Mukhtar Singh to the vote of the Committee :- That a Sub-Committee of the Sugar Committee be appointed to draw up an acceptable formula or scheme for fixing prices for cane and to submit the same to the Sugar Committee. This was carried and the following gentlemen were appointed by the Committee to serve on the Sub-Committee with Chowdhry Mukhtar Singh as Convener :-

Chowdhry

Chowdhry Mukhtar Singh

Lala Har Sahai Gupta

Mr. Sherwani

Mr. Sarangadhar Das

On a suggestion from some members that the Sugar Technologist should also be a member of the Sub-Committee, the Chairman explained that this was not possible, but that Mr. Srivastava's services would be at the Sub-Committee's disposal if they required any information or statistics. The Committee agreed.

7. Report on the results of work done at the Shahjahanpur Research Farm (U.P.) on the detailed examination of new seedling canes for which the Imperial Council made a grant of Rs.6,000/- (Subject No.3 of the Agenda).

In the absence of Mr. Allan, Director of Agriculture, United Provinces, the Chairman called upon Mr. Burt to open the discussion on the subject. Mr. Burt, recalled the object of the experiment for which the grant was given and briefly explained the work that was being carried on at the Shahjahanpur Farm. He said that the report showed that the Imperial Sugarcane Expert was in close touch with the work and he was satisfied that the money was being well spent. Rao Bahadur Venkataraman said that the seedlings now reported upon were the seedlings of a cross between Co.213 and Co.244, the second set of seedlings will be sent in the month of April whilst a third set will be sent next season. He was in very close touch with the work at

Shahjahanpur

Shahjahanpur and besides sending seedlings/ he was sending cane seed for germination. Chowdhury Mukhtar Singh said that he had come to know that the practice in the United Provinces would be something like this. Different varieties will be grown in larger quantities and then after three or four years they will be tried on a field scale and then distributed. This will take at least six or seven years to know the results of any new variety and at the end the results might show that the seed which had done very well at Shahjahanpur might not do very well at other places. The Shahjahanpur Farm was started with the idea that there might be some seedling which had not developed its latent powers at Coimbatore might do so at Shahjahanpur and theresore very good varieties might not be lost to us. But this object was likely to be ~~detected~~ defeated by the practive now adopted. For this reasop, he wrote to Rao Bahadur Venkataraman for some varieties which he might grow at his own farm and at his own risk but was told that unless the Director of Agriculture of the province concerned no private farmer will be supplied with varieties from Coimbatore. He said that the practice of private farmers taking up the multiplication of new varieties should be encouraged. Mr. Walchand Hirachand said that he had also the same difficulty in his presidency. The facilities of getting supplies direct from Coimbatore were denied to them. He suggested that Coimbatore should be brought directly under the control of the Council and steps taken to provide as much facility to private farmers as possible. Mr. Burt said that far from facilities being denied he was surprised at the extent which Coimbatore had been able to meet requests from all over India. At the

same time it must be realised that its resources were not urlimited. Private individuals must not ask for facilities which could not xx be given to agriculturists in general. It was not possible for Coimbatore to supply every large cultivator individually. He reminded the Committee that after very careful consideration they had decided on a change if sugar-cane testing stations in the various provinces and it was essential that these should have the first claim on new seedlings from Coimbatore. Lala Shri Ram said that in case there was spare seed or seedling at Coimbatore then private farmers or at least factory owners who could make their own trials should be allowed to get seed and seedling and that there should be no ban against Coimbatore giving the seed or seedling. Dr. McRae said that by convention Coimbatore supplied seedlings to certain definite places in a province and if any other people wanted to have their names added it was for them to discuss matters with the D.A. concerned. Rao Bahadur Venkataraman explained Coimbatore did not distribute anycane to a procince except with the approval of the Director of Agriculture of that province. The assumption was that the Department of Agriculture of a province carried the sugarcane conscience of that province and Coimbatore had always been very careful in avoiding wounding the susceptibilities of a province. Of course the policy of the provincial Department had varied from time to time. Sometimes one Director allowed a free distribution of canes while at other times another Director did not. The chairman here pointed out that in the absence of Mr. Allan it was not possible to arrive at any definite conclusion and the committee passed on to the next item.

Representation regarding the increasing difficulties encountered by sugar factories in India in finding an outlet for their molasses including the question of protection to the Indian denatured spirit industry (Item No. 11 of the agenda)

Mr Sherwani opened the discussion by refering to the great change in regard to the supply of molasse which had taken place since the Committee/last considered the subjectxx at its meeting held in Dec. 1931. He stated that there was at present a huge accumulatio of molasses in sugar factories for which an outlet had to found at once, and he considered that the Sugar Committee should initiate work on the possibilit of its utilisation as cattle food. Molasses was being used at present on tobacco curing and in the denatured spirit industry but definite work including propaganda was necessary to find out its feeding value, mixed with other food materials especially for bullocks. His own experience was that molasses were decidely better as food for cattle when mixed with other kinds of fodder, and he strongly urged the need for investigations on the subject by an organisation somewhat similar to the Tea Cess Committee. That molasses had the effect of heating or producing itches was based on prejudice only; even if there was any such effect, chemically cured molasses would be quite suitable Mr. Sayer did not consider that other factory or country molasses were of any great food value to working bullocks. Mr. Ramamurty stated that Khandsari molasses should be treated quite separately from factory molasses as there was difference between the two. He doubted whether Khandsari molasses could be of use in the production of alcohol at all; alcohol or spirit produced from Khandsari molasses could not, in his opinion, be

economically marketed and the whole question required re-consideration in the case of this class of molasses. To bring out the difference between the two sorts of molasses he would call factory molasses as 'Industrial molasses' and the Khandsari product as 'agricultural molasses'. Agricultural molasses could be fitted only into agriculture and not into industrial processes like the production of spirit, alcohol, etc. Mr. Noel Deerr traced the position of the molasses problem over the last few years and stated that it was now absolutely necessary to find an immediate outlet for this by-product of the sugar industry. A mere increase in duty would not help as long as the supply exceeded the demand. A cattle food he thought that molasses could be successfully used for feeding milch cattle if mixed with cotton seed cake for instance. There was a good possibility of its finding greater use in the production of methylated spirit with the increase in the demand for the latter commodity, but the greatest future lay in its use in the manufacture of power alcohol. It had been found by trials that power alcohol had a good future as fuel for internal combustion engines but the excise rules relating to denaturisation of alcohol were a great drawback. Unless, therefore, legislation was passed revising the present rules for denaturing alcohol, nothing could be done in this direction. Mixed with Petrol, alcohol was being used in several countries e.g. Denmark Czechoslovakia for producing power. New legislation on the lines might result in loss of revenue to Govt. but this could be compensated for by the imposition of an import duty on denatured spirit. If Government would give the necessary

facilities the different sugar interests in the country would have to co-operate in putting up central distilleries for the manufacture of power alcohol at various strategic points and with sufficient adgertisement and propaganda, a sound and useful industry could be built up. He had ascertained from the sugar factories that they would be willing to do this, but Govt. would first have to remove the obstacles in the way and also to provide the necessary transportation facilities. Lala Shri Ram stated that a solutio of this problem could not wait indefinitely. He wanted experiments to be conducted on the following lines:-(1) A sum should be set aside for work to be done on the feeding value of molasses on all kinds of animals the results of which should be circulted to sugar factories without the Council accepting any responsibility in the matter. (ii) the provincial agricultural Deptts should be subsidised for conducting experiments on the manurial value of molasses; (iii) that the necessary funds and staff should be provided to the provincial Deptts or other bodies, For conducting work on the use of molasses as fuel and (iv) that a small factory should be erected at Cawnpore or some suitable station for carrying out trials and finding out the cost of manufacturing power alcohol from molasses. He also asked that the Chairman of the Committee would take steps to get over the difficulty/to arrive at some compromise. in the matter of revenue from excise duty. Mr. Morgan laid stress mainly on the need for imposing an import duty on denatured spirit and stated that a reference should be made to the Tariff Board on the subject at a very early date. He wanted the denaturing rules to be revised and if Government would do this the Petrol Companies would be prepared to organise central distilleries. Java molasses should not be

also be allowed to compete with Indian molasses and there should be greater facilities for moving molasses from inland factories to the central distilleries. Finally, he stated that the only way of tackling the problem was to pass Legislation making it obligatory to mix 10 to 15 percent of power alcohol with all petrol used in motor vehicles and suggested that a reference should go from this Committee on the matter to the Tariff Board through the Commerce Department. Mr. Srivastave agreed that the power alcohol industry would be really promising. There were several difficulties and he doubted if the mere substitute of another denaturant like Pyridine for caoutchoucine would solve the problem. The modren method would be manufacture absolute alcohol not-denatured spirit and to mix the absolute alcohol direct with petrol. This problem should be studied in a practical manner under Indian conditions and he supported Lala Shri Ram's suggestion of setting up a small factory for investigating into the economics of power alcohol production. Mr. Sherwani enquired whether any work had been done in this direction by the Harcourt Butler Technological Institute, to which Mr. Srivastave replied that only laboratory experiments had been conducted so far, the results of which could not be applied for work on commercial scale. A good deal of discussion followed and irrespective of a reference to the Tariff Board there appeared to be a general demand in favour of setting up a small factory the cost of which was estimated at about two lakhs of rupees. Mr. Morgan contended that unless legislation were introduced people would not come forward and invest money in manufacturing power alcohol and he wanted the Council to take up

this matter at once. At this stage Mr. Burt in reviewing the various points raised in the course of the discussion suggested that the question of the manurial and nutritige value of molasses should be referred to the Council for further action as had been done by the Oil crushing Industry Committee in a similar case. There was a standing committee of the Board of Agricultural Animal Husbandry Wing on animal nutrition and a fertilisers committee of the Council. The question of molasses for cattle food could be examined at once by the Animal Husbandry Expert to the Council. As regards the manurial aspect he suggested that the Directors of Agriculture in the important sugarcane provinces might come up to the Council for any help necessary. But he did not think any agricultural demand would materially assist in the disposal of factory molasses in the near future and the power alcohol question was most important. He suggested that the Imperial Council of Agricultural Research Department should now take the matter up unofficially with the other Departments of Government concerned and see how the various obstacles could be removed. A reference to the Tariff Board would not be of use at this stage as that would take much time. Mr. Morgan agreed that that was the best course. Lala Shri Ram also agreed to this but wanted a sub-committee to go into the whole question if necessary; he said that no time should be lost. In the end, the Committee decided that the matter should be taken up with the Government of India in the manner indicated by Mr. Burt.

9. Representation regarding high railway freights on sugar and the need for transportation facilities from inland factories to coastal markets (Subject No 12 of the Agenda)

Mr. Morgan explained at some length the difficulties by way of high railway freights and want of facilities for transportation of both sugar and spirit from inland factories to coastal markets. He stated that the Railway Board wanted that all sugar interests combined should put up definite facts and figures showing what would be an economic rate for these commodities over the various railways. The present position was that the Railway Board could not interfere in the matter with the railways concerned. He had arranged with the Commercial interests to do the needful in the matter. As regards through booking facilities, it was not easy to get the facilities on railways and steamers combined as each wanted as much of business as possible; but individually there appeared to be no great difficulty in getting any one party to agree to provide the required facilities. Mr. Sethi stated that the concession given by the E.I.Rly for sugar etc.. booked from Lucknow to Calcutta was not of benefit to Bihar and Orissa as there were no Behar factories on the main line. He was AGREE taking up the matter separately. After some discussion it was agreed that the action taken by the Secretariat of the Council should be recorded and that the matter shoule be pursued.

10. Note on the need for work on the Chemistry of sugar by the Agricultural Chemist to Government Madras(Subject No.15 of the Agenda).

Mr. Ramamurty introduced the subject and explained the difficulties met with the Madras in regard to work on the Chemistry of sugar. He

enquired

enquired whether the work should be undertaken by a central sugarcane chemist to be employed by the Council or whether the work should be done by each province. Mr. Sethi said that the difficulties referred to by Mr. Ramamurty existed only ~~xxx~~ in Madras and not in any other province. In his opinion the work was either to be done by the Madras Department of Agriculture or by the Imperial Sugarcane Expert. Rao Bahadur Venkataraman said that he had read Rao Bahadur Vishwanath's note carefully and was of the opinion that most of the problems presented therein were of a provincial nature. Besides, he thought that varieties of cane changed rapidly so that before any chemical work on a problem was finished it might be found that the variety on which work had been done was no longer in use. Mr. Burt welcomed Rao Bahadur Vishwanath's note and said that, in his opinion, the best course would be for definite proposals to be submitted to the Council in the usual manner. While some of the problems mentioned ~~xxx~~were clearly provincial, others were of more general importance. He thought that a chemical study of the non-sugars in the Sorghum-cane hybrids and other Co seedlings ~~xx~~ was of all India importance and that Coimbatore was the best place to carry it out. He also attached importance to the chemical study of the elaboration of Sugar on the Cane and the changes while occured in ~~xxxxxxxx~~ ripening, but realised that some Members thought this less urgent than other problems. He had no doubt that Rao Bahadurs Venkataraman and Vishwanath would co-operate with each other in this matter. The Committee agreed.

11. Draft Rules under Section 5 of the Indian Sugar Industry (Protection)Act, 1932(Subject No.18 of the Agenda).

Mr. Srivastava introduced the subject. Lala Shri Ram referred to clause 8 of the Draft Rules requiring the factory owners to send to the Secretary, Imperial Council of Agricultural Research, once every year a financial statement of the capital cost of the factory and the income and expenditure for the past year made up to a date not more than ~~xx~~ three months before the date of submission, and asked what was the object of the Secretary to the Council being furnished with such information. Mr. Srivastava replied the object was to enable the Council to see whether the industry was being stabilised. He also referred to paragraph 10 of his explanatory note on the rules in question on page 5 of the note circulated on the subject wherein it was stated that the draft rule was based on Regulation (8) of Appendix II, Table A of the Indian Factories Act VII of 1913. Lala Shri Ram was not satisfied with the explanation and formally moved that clause 8 be deleted. In support of his motion he pointed out that he anticipated prctical difficulties in the way of supplying the information; for instance some companies did not prepare accounts in three months and ~~xxx~~ it would thus not be possible for them

to

to comply with this requirement. It was explained by the Chairman that the Draft Rules before being passed would be circulated to local Governments etc. and points such as the one raised by Lala Shri Ram would be considered by them. Lala Shri Ram, however, preferred that his motion be considered at the meeting so that if it was passed the clause in question should be omitted at the start. On a vote being taken it was decided by a majority to let the clause remain.

12. After the Chairman had thanked the members, the meeting terminated with a vote of thanks to the Chair.

New Delhi,
4th March, 1933.

Charan Das,
Secretary.

For the use of members only. 117

Imperial Council of Agricultural Research,

Sugar Committee, Fifth Meeting, March 1933.

Subject No. 14.

The following note (Appendix) by the Sugar Technologist which appeared in the Annual Supplement of Capital' is circulated for information.

Charan Das,

Secretary.

The 20th February 1933.

SOME PROBLEMS OF THE SUGAR INDUSTRY OF INDIA

By
R.C. Srivastava, B. Sc.,
Sugar Technologist, Imperial Council of Agriculture Research, India.

Protection and its immediate Effects.

As a result of the recommendations made by the Indian Tariff Board, the Sugar Industry (Protection) Act 1932, was passed and received the assent of the Governor General on the 8th April 1932. The industry has been declared as protected for a period of fifteen years ending on the 31st March 1946. The rate of import duty on sugar of all sorts including Sugar-candy but excluding Confectionary, has been fixed at Rs. 7/4/- per cwt. for the first seven years ending on the 31st March 1938. The extent of protection for the remaining period of eight years is to be determined after another enquiry to be held before the completion of the first period of seven years.

In addition to this protective duty there is at present a surcharge of 25 per cent on all import duties, which was imposed in September 1931 by the Indian Finance (Supplementary & Extending) Act 1931, and will remain effective till March 1933. The total duty on imported sugar at present thus amounts to Rs. 9/1/- per cwt. The present Calcutta price of Java White Sugar is about Rs. 10/10/- per maund out of which Rs. 6/10/- is duty and the remaining Rs. 4/- represents the cost of sugar and charges on account of packing, freight, insurance and other incidental expenses. The effect of this protection of over 165 per cent is further augmented by the present depreciation of Sterling to which the rupee is linked.

Taking into consideration all the factors indicated above, the Sugar industry in India at present enjoys protection to the unprecedented extent of approximately 200 per cent. As might be expected, this has had the effect of giving a great impetus to the expansion of the industry. A forecast of the probable annual production of

sugar of all kinds (excluding raw gur) upto 1933-34 was given in "The Review of the Sugar Industry of India during the official year 1930-31. At the time of its publication, the forecast was regarded in certain quarters as too optimistic. It now turns out, however, that these doubts were not well founded. The actual figures now available for the year 1931-32 show a production of approximately 190,000 tons factory sugar as against 170,000 tons estimated in the forecast.

Expectations have been surpassed in another respect also. The number of new factories erected during the last 12 months and most of which are now ready for operation during the ensuing season is well above the estimate. As against the estimate of seventeen or eighteen new factories during the year, actually twentyfive factories have been built. Of these seventeen are in the United Provinces, seven in Bohar and one in the Punjab. On the basis of their rated capacities the annual production of these factories will be over 100,000 tons of sugar.

DEVELOPMENT MOSTLY ON SOUND LINES.

It is a matter for gratification that although expansion has taken place so rapidly the development has mostly been on sound lines, technically as well as economically. Owing to the world wide depression of the sugar industry, India is almost the only country where there is a demand for sugar machinery. This has resulted in keen competition amongst machinery suppliers and buyers have, in consequence, been able to secure very favourable terms. Prices on the whole have been low and terms of

payment as well as guarantees for delivery, erection and performance which have been given by suppliers have in many cases been exceptionally attractive.

Promoters of sugar companies have given adequate attention to the technical details of plants ordered. Increasing use has been made of expert advice available in the country and specifications of machinery have on the whole been of a high standard. The only exceptions are of those few cases in which either consultation with independent experts was not resorted to or where factories have been built by getting together odd machines, new or secondhand, and entrusting the work of planning and construction to men not properly qualified in this respect. It is to be hoped that with more experience, instances of this kind, which are already few, will become still rarer.

AN IMPORTANT DEFECT.

It is necessary to draw attention here to an important defect in the direction in which recent development has taken place. This relates to the selection of sites for some of the new factories. The northern part of Bihar and the eastern districts of the United Provinces, which were already overcrowded with factories, have attracted a large proportion of the new factories. Of the twentyfive new factories seven are in north Bihar and seven in the eastern part of the United Provinces. There are a few instances in which two new factories have been built at one station.

This defective location of factories has been due mostly to lack of foresight. There is no question

that these congested areas possess a number of advantages at present. Thus there is ample area under cane cultivation and the cane growers are not accustomed to gur-making to the same extent as in other cane-growing areas. They understand the system under which factories purchase cane and are therefore willing and eager to sell their cane in preference to turning it into gur. There is also no indigenous Khandsari industry to compete for cane supplies. Trained labour for work in the factories is also plentiful.

Most of these advantages are, however, either temporary or are such as can, with a little organisation, be secured in other and less congested areas also. As against these, the principal disadvantage, namely that of overcrowding is likely to have a permanent effect. At present sugar cane is one of the few crops which give a fair return to the grower. When normal agricultural conditions return, sugar-cane may not be able to maintain this privileged position and the area under cane cultivation may diminish proportionately to that under other crops in these localities. The factories will then have to go further afield for their supplies of raw material and the cost of cane delivered at the factory as well as loss and deterioration due to dryage in transit, will increase.

It should be pointed out, however, that the tendency to build factories in the already congested areas has now practically stopped. Most of the new projects are for the Central and Western parts of the United Provinces which in addition to having plentiful supply of excellent cane and being practically free from competition from other factories, enjoy an advantage in freight on sugar to the most profitable markets in India,

namely the Punjab, Central India and Rajputana. South Bihar is another important locality awaiting development. As pointed out by the Government of Bihar and Orissa in the course of a Resolution on the Annual Report for 1931-32 of the Director of Industries of that province: "As many as seven new sugar factories are reported to be under construction in North Bihar and one or two are under contemplation in South Bihar where the cane area is larger and has the advantage of irrigation. There is wide scope for indigenous enterprise to start sugar factories in South Bihar, but it is a matter for regret that both indigenous capital and indigenous enterprise have so far failed to take advantage of the opportunities offered.

SCOPE OF THE PROBLEMS.

A question frequently asked, but seldom answered with any degree of certainty is whether the present development will prove to be lasting or whether, when the protection is taken off or substantially reduced, the industry will find itself unable to face outside competition.- Sugar producing countries all over the world, many of them much more favourably situated than India in respect of supplies of raw material, manufacturing facilities and markets for finished product, are having difficulty in maintaining the industry on an economic basis. It is natural, therefore, that those now putting money into the industry in this country should wish to have some idea of the problems with which they may be faced after some years.

The subject is complex and several factors, many of which are at present incapable of exact definition

enter into it, thus making it difficult to give any accurate forecast of conditions likely to obtain in the future. It is possible, however, to discuss here some of the more important features, adequate and timely attention to which may help to strengthen the future position of the industry First amongst these, in point of importance as well as of urgency, must be mentioned the question of cane supply, including under this category the proposed zone system and the co-operative factory system. Secondly, there is the question of the creation of a central organization for the sale of sugar, which is becoming of increasing importance on account of the growing internal competition as distinct from foreign competition. Thirdly, the disposal of molasses produced by the factories as well as the indigenous sugar industry, which is already causing serious concern, needs urgent attention from the industry as well as the Government. Fourthly, the designing and manufacture in India of at least a part of the sugar machinery required in the country is another matter the importance of which has not been adequately appreciated so far.

CANE SUPPLY.

The usual system adopted by sugar factories at present for obtaining their supplies of cane is to purchase it from a large number of small growers, generally through the agency of contractors, who undertake to supply an agreed quantity from a given area. The weakness of this system lies in that it assumes that the cultivation of cane will continue on the present scale and ample supplies will be forthcoming in the future. The factories

do nothing to foster cane cultivation, to introduce better varieties, to improve cultural methods or to provide irrigation facilities. They, in fact, take no interest in the agricultural side of the industry at all, although the cost of cane constitutes approximately two-thirds of the total cost of production of sugar.

The industry cannot be regarded as established on a durable foundation unless the future supply of its raw material is assured. It is, therefore, in the interests of the factories themselves, apart from any consideration for the interests of the cane grower or the general agricultural economy of the country, to adopt active measures for assisting cane cultivation on correct lines. The factories, however, have not, with a few exceptions, done anything so far in this direction. The reason usually assigned for this neglect is that so long as it is possible for a new factory to be built in the neighbourhood, an established factory cannot afford to spend money on introducing agricultural improvements, the benefits of which may be pirated by the new-comer. To prevent such intrusion, a system of licensing of factories and establishment of zones is suggested on behalf of factory owners. Amongst the arguments in favour of the zone system it is stated that when an area is given over to the miller to develop in collaboration with the grower, the interests of both will benefit. It is added that the object of the miller is to get his raw material as cheaply as possible, and this he can best do by increasing the production of cane per acre. With an increase in yield the nett income of the grower

will increase even though the price paid for same is lower It is further stated that with more concentrated areas under cane in the immediate vicinity of the factory, cost of transport and dryage losses in transit will be reduced and the miller will be able to utilize part of these savings in paying a better price for cane.

These arguments in support of the zone system are based on the assumption that it will work on the same principle as the Java system of leasing lands by factories, which enables them to cultivate cane under their direct control. It is not realised, however, that the systems of land tenure in the two countries are so entirely different that no such control over land can be obtained by a factory in India unless the small holder is bought out and dispossessed. Even the owner of an estate cannot dictate to his tenants so long as the latter pay their rental dues regularly.

All that the zone system can do is to assure the miller that no other factory can take cane from his area. It will give him no legal status for controlling cane cultivation. The restriction of competition will on the other hand seriously handicap the grower. The zone system was considered by the Sugar Committee in 1920 and the Indian Tariff Board in 1931 and was rejected on both occasions. As the Tariff Board pointed out "Competition between factories is the only definite safeguard which the cultivator possesses for the maintenance of cane rates and it would appear inequitable to deprive him by statute of this guarantee unless effective statutory provision could be made for the rates which should be paid

for cane. As we have seen any such provision would be extremely difficult to enforce. Generally we feel that the question of the distribution of cane, areas of supply and the fixation of zones is a matter to be determined by the factories concerned and we believe that the problem is not insoluble if, as may be hoped, an effective association of manufacturers comes into being as a result of the introduction of protection.

The weakest point about the zone system is that whilst it will certainly deprive the grower of the benefit he may have got from selling cane under competitive conditions, there can be no equal assurance that the factory to which a particular zone is allotted will assist the grower in improving cane cultivation. This will remain dependent on the miller's own sense of what is his duty towards the grower. There are many factories which for several years have had no competition from other factories in their local area of supply but, inspite of this virtual monopoly, they have done nothing to help cane cultivation. There will be nothing to prevent the same thing happening under the zone system.

A rider has recently been added to the old scheme of zoning,-namely that when zones are fixed, the factories should be required to pay for cane at a prescribed rate. This is however likely to prove impracticable as well as ineffective - impracticable, because it is so easy to get round such a prescribed scale specially when, as is the case at present, the seller is willing to accept a lower price, and ineffective

because the payment of a higher price does not necessarily mean that cane cultivation will be improved on lines most suited to factory requirements. The ideal solution of the difficulty in connection with cane supply is, of course, for factories to have their own cane plantation. One or two of the new factories have been able to secure land for such plantations. But land in sufficiently large and compact blocks is in general so difficult to get, that these must be regarded as exceptional cases. Some suggestions are made below which if adopted should be within the means of most factories and which should give them reasonalbe security for their cane supply, at the same time giving the grower just the type of help that he needs most.

The great need of the cane grower is a sufficient supply of irrigation water, which should be available at the right time. The factories should provide irrigation facilities by putting down a chain of tube wells within a radius of two or three miles from the factory. Electric power for working these wells can be generated by the factories out of surplus bagasse, the disposal of which is gradually becoming a problem in itself. Charges for supplying the water should be treated as advance against cane to be supplied to the factory. In addition the factories should maintain seed farms for giving out seed cane of suitable early and late ripening varieties as well as chemical manures. If necessary, Government may be asked to help the factories in acquiring the small amount of land required for the wells and distributories, also in realising the irrigation dues by an easy process in

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case of default in supplying cane. Irrigation schemes of this kind will not only help the factories, but will also supplement, without public expense, Government's own irrigation systems. Moreover factories providing such irrigation facilities will have a hold on the cane growers which will give them the same advantages as the zone system without the draw-backs inherent in the latter.

Another line along which there is considerable scope for progress is the introduction of the Co-operative factory system. A pioneer scheme of this kind is at present being launched in the United Provinces and the progress of this will be watched with interest throughout the country.

SUGAR SALES ORGANIZATION.

The total production of sugar in India (including sugar made by the indigenous methods is still only a small proportion of the quantity required for consumption in the country. The home market for Indian factory sugar, is therefore large. The quality of Indian sugar now is, on the whole, excellent and with the additional advantage of the protective tariff, good prices, more or less on a parity with Java sugar, should be obtained by the factories. Till two or three years back such a parity, less perhaps a small difference of one or two annas per maund, was obtained, which meant that the Indian factories got the maximum price possible under the prevailing market conditions. The actual prices obtaining now, on the other hand, are generally at least one rupee per maund lower than what they should be if the parity was maintained. This represents a loss to the factory industry of approximately 50 lakhs of rupees on the basis of last season's production

129 of 190,000 tons, and if the Khandsari industry is also taken into consideration, the total loss to the industry as a whole cannot be far short of a crore of rupees annually. With the increase in production now taking place conditions are likely to get worse and the aggregate wastage of profits will increase proportionately. It is obvious therefore that a re-organization of the existing sales organization is a matter of urgent necessity.

It is interesting to note that Java, which is at once India's most formidable competitor as well as the source from which the sugar industry of this country has learnt so much in the past, has had to face similar difficulties some years back. A brief retrospect of the stages by which the present selling organisation of Java has developed is, therefore, particularly instructive at this juncture.

Before the war factories in Java used to sell their sugar very much in the manner Indian factories do now. As a rule forward sales, well ahead of the crop were made through brokers in Java. Durinng the early years of the war large purchases of Java were made by the British Royal Commission on Sugar Supply and the old system of sales was thus continued. A change, however, came in 1917 when Great Britain arranged for most of its supplies, from other sources and when, by a coincidence, other important buyers also withdrew from the Java market. Java manufacturers, instead of selling in advance as hitherto were now left with large unsold stocks. Prices went down and a complete demoralization of the market, owing to anxiety of weak holders to sell, was threatened. To

avert this, the producers established the Java Sugar Association as a Single seller and almost every holder of sugar joined it. The organization however failed to produce any substantial immediate improvement, as the dislocation of shipping owing to the war had brought export business almost to a standstill. By 1918 practically the whole of that year's crop as well as a large part of the 1917 crop was awaiting sales.

A new organization, called the United Java Sugar Producers' Association (V.I.S.P.) was accordingly formed in August 1918, which covered about 90 per cent. of the sugar production of Java. As most of the factory owners belonged to Holland and as mail and cable communications were uncertain at the time on acount of the war, the headquarters of the new Association were transferred from Java to Amsterdam. Although the original object in forming this Association was to dispose off, without undue internal competition, the unsold stocks of the 1917 and 1918 crops the working of the Association proved to be so beneficial to the industry, that it was continued from year to year till 1932.

Difficulties, however, arose in 1930 owing to overproduction of sugar and consequent world-wide depressio The quantity of sugar which the Association was required to sell was increasing every year and by 1930 it ... exceeded the demand. Prices fell steadily till they ceased to be remunerative. Discontent set in amongst the members, some of whom left the Association by the end of 1931, whilst a considerable number threatened to leave in December 1932. The Association was therefore on the

verge of collapse and, in the absence of any other organisation to take its place and with the accumulation of large unsold stocks, the entire industry in Java was faced with an unprecedented crisis. If disaster was to be averted a way out of the impasse had to be found without loss of time. The Netherlands Indian Government therefore recently convened a meeting of Government Officials and representatives of sugar manufacturers, bankers and exporters to consider, and make proposals regarding, the formation of a new selling organization which would be more suited to the present day conditions. Differences of opinion arose, principally in regard to the disposal of old stocks and the location of the headquarters of the new organization. These have however b overcome satisfactorily and the Committee has just submitted its recommendations to the Government. The Single Seller is to be re-constituted and will be composed of representatives of the Government, banking interests, manufacturers and exporters. The organization will henceforth have its headquarters in Java. In addition to its primary function of unification of sales, it will also deal with the question of restriction of crop each year in the light of market conditions. The recommendations of the Committee include the new feature of introduction of a System of compulsory contributions by Sugar Sellers and Sugar employees to a fund for the unemployed in the sugar industry.

India has an obvious lesson to learn from what Java has done in the domain of sugar sales. the manufacturers are to get the maximum price which market conditions permit, it is imperative that a fully representative sales organization with adequate financial

backing and warehousing facilities at important centres, should be formed. As the bulk of the industry is established in the North, the organization may in the initial stages cover only this area. Cawnpore, which already has selling agents for most factories, will be suitable for the headquarters of the proposed organization. Branches may be established in important markets in Northern and Central India.

One important preliminary for the setting up of a Central Sales organization is the standardisation and grading of the sugar produced. At present most factories turn out sugar which differs in colour and grain, even for the same class of sugar, from factory to factory. For this reason the present market quotations for sugar are not on the basis of any recognized standard grades. The produce of each factory is quoted for separately under its own name, the dealers knowing by experience and inspection of samples the quality of sugar each factory turns out. Obviously, a central selling agency cannot make sales on the basis of samples of individual factories. Transactions, specially those for forward delivery, will have to be based on standard grades of known specification, irrespective of the factory which may produce any particular lot.

A central organization of the type envisaged here will not only benefit the industry by eliminating internal competition, but will also materially reduce brokerage and other sales charges. Another advantage that would result from such an organization

molasses, which are so far not produced in this country. Proper attention to these details, coupled with the present low price and abundant supplies of Indian molasses should enable it to largely displace the Java product in the home market.

But these measures alone are not likely to be sufficient for restoring normal conditions in the Indian molasses market. To deal with the much larger production it is essential that new outlets for molasses, other than those existing at present, should be explored and adequately developed. Foremost amongst such new uses of molasses, mention should be made of the manufacture of Power Alcohol. A difficulty in this connection is constituted by the existing excise regulations regarding denaturation. The use of Caoutchoucine prohibits the use of spirit mixed with petrol for internal combustion engines and if other denaturants were permitted, a field for the use of alcohol would be found ith molasses at 9 annas a maund 96-98% alcohol suitable for mixing with petrol could be produced and sold at 14 annas per gallon denatured equivalent to petrol at Rs. 1/8/- to Rs. 1/11/- per gallon in up-country centres. No materi loss of revenue to Government, as a result of this need b apprehended, since if the whole production of molasses in India as in 1931 was converted into power alcohol, it would only represent 5% of the consumption of petrol. It may be pointed out that in the Hawaiian Islands and the Phillippines much of the molasses produced is disposed of in this way and that in many European countries, the use of some proportion of alcohol mixed with petrol is obligatory.

Amongst other new uses of molasses,

the production of cattle food and the manufacture of yeast also deserve to be mentioned. But with reference to all these new outlets, an amalgamation of interests and the establishment of centralised distilleries or yeast producing plants located at strategic points would be a necessary and essential preliminary.

SUGAR MACHINERY MANUFACTURE.

Keen competition amongst suppliers of sugar machinery has enabled buyers in India to secure favourable terms. There are however indications now that this competition is going beyond healthy limits. Recently a number of new entrants to the Indian market have resorted to such drastic price cutting that most of the best makers with long years of Indian experience, have been eliminated. The low prices have generally been made possible by offering machinery of inferior design and light construction. Factories equipped with such plant cannot be as efficient, or last as long as those having plant of modern design and substantial construction. Such plant cannot, however, under the present conditions, be had unless a price much higher than the prevailing level is paid.

In order that the factories now being built may be durable and of proper efficiency to face competition in the future and also that the plant may, at the same time, be cheap enough to stand competition from makers of inferior machinery, it is essential that the simpler items of the equipment should be made in India.
The saving in sea and rail freight, insurance, dock dues, and import duty combined with the lower fabricating

costs in India should leave sufficient margin for reasonable profit, even after the selling price is considerably reduced. From the buyers point of view there are obvious advantages in purchasing from a local manufacturer who will not only supply the machinery but will also erect the complete factory, give it a trial run and hand it over as a working concern. Repairs and the supply of replacement parts will also be greatly facilitated.

There are a number of first class engineering works in India at present, many of which compare favourably with some of the best works in other countries. Some of these could come to an arrangement with sugar machinery makers of standing outside India for manufacturing in this country items like carriers, shoots and conveyors, tanks, filter presses, crystallizers, centrifugal machines, sugar dryers, staging, railing, stairs, building steel work and steel chimneys. There need be no difficulty in such division of work. It is quite a common practice for firms in one country to purchase, or have specially manufactured to their own designs from firms in other countries, a part of the plant required to complete an order booked by them. The suggestion if acted upon is likely to benefit the sugar machinery manufacturers abroad besides providing work for engineering workshops in India and will at the same time bring first class machinery within the reach of the Indian buyer at competitive prices.

NOTIFICATION.

No. 5078 L. C., Bangalore, dated 21st May 1934.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to provide for the fostering and development of the Sugar Industry and for safeguarding Sugar-cane cultivators in Mysore is published for general information with the statement of Objects and Reasons.

By Order,

C. SUBRAHMANYA AIYAR,

Secretary,

Mysore Legislative Council.

ROVIDE FOR THE FOSTERING AND DEVE- OF THE SUGAR INDUSTRY AND FOR SAFE- GUARDING SUGAR-CANE CULTIVATORS IN MYSORE.

WHEREAS it is expedient to provide for the fostering and development of the sugar industry in Mysore, to take power for the purpose of controlling and regulating factories engaged in the manufacture of sugar and for the safe-guarding of the interests of sugar-cane growers and cultivators; It is hereby enacted as follows:— Preamble.

1. (1) This Regulation may be called the Sugar Industries Safeguarding Regulation, 193 Short title, extent and commencement.

(2) It extends to the whole of Mysore.

(3) It shall come into force in such local areas and from such dates, as the Government may, by notification in the official Gazette, direct.

2. In this Regulation, unless there is anything repugnant in the subject or context,— Definitions.

(*a*) 'sugar factory' means any factory as defined in the Mysore Factories Regulation, 1914, in which sugar is manufactured and wherein not less than twenty persons are simultaneously employed on any one day in the year;

(*b*) 'license means a license granted under this Regulation and licensed' and 'licensee' have corresponding meanings; and

(*c*) 'prescribed' means prescribed by rules made under this Regulation.

Definition of sugar.

3. The Government may, by general or special order declare for the purposes of this Regulation what articles or substances containing any saccharine matter shall be deemed to be sugar.

Licensing manufacture of sugar.

4. (1) It shall be lawful for the Government to grant to any person or persons on such conditions and for such periods as may seem fit licenses for the manufacture of sugar.

(2) Such conditions may prescribe among other things the place where the factory is to be located, the area within which the operations of the factory should extend and the price or prices at which the factory shall purchase sugar-cane.

(3) The Government shall have the power to frame rules for fixing the price or prices at which sugar-cane shall be purchased by a factory.

Prohibition against the establishment and maintenance of factories without a license.

5. (1) It shall not be lawful for any person after the expiration of three months from the coming into force of this Regulation to carry on the business of manufacturing sugar except under the authority and subject to the terms and conditions of a license granted in accordance with the provisions of this Regulation.

(2) The decision of the Government whether or not a license may be granted shall be final.

Power to require information and for inspection of documents.

6. (1) The Government may by general or special order require the applicant for a license or a licensee or any person who, being a director, partner, proprietor, manager or officer of, any factory, is able to give any information as to the constitution, control or management of the factory or the business carried on in the factory, to furnish such information within such time as may be specified in the order.

(2) Any person authorised by the Government in this behalf may, for the purpose of verifying or obtaining information of the nature referred to in sub-section (1), inspect any books and documents belonging to or under the control of such factory, the inspection of which may be reasonably required for the said purpose.

(3) The Government may by notification in the official Gazette, make rules requiring the owners of sugar factories in Mysore to make such returns relating to the production of sugar in their factories as the Government may consider to be desirable, prescribing the form of such returns, the dates of their submission and the authority to which they shall be submitted. Power to make rules requiring returns.

7. (1) Whoever contravenes the provisions of section 5, shall be punishable with fine which may extend to one thousand rupees and in the case of a continued contravention with a further fine which may extend to one hundred rupees for every day during which the contravention is continued after conviction therefor. Penalties.

(2) Any person who.—

(*a*) refuses or neglects to furnish any information which by an order under section 6 is required to be furnished within the time specified in such order or knowingly furnishes any such information which is false in any material particulars,

(*b*) having the custody of any book or document which a person is authorised to inspect under section 6 refuses or neglects to produce the book or document for inspection, or

(*c*) fraudulently uses or permits to be fraudulently used any license issued under this Regulation,

shall be punishable with fine which may extend to two hundred rupees.

(3) Where the person guilty of an offence under this Regulation is—

(*a*) an association or firm, every partner, member, manager or secretary and other officer thereof who is knowingly a party to the default, and

(*b*) a company, every director, manager, secretary and other officer thereof who is knowingly a party to the default,

shall also be guilty of the like offence and liable to the like punishment.

8. Government may delegate to the District Magistrate or other officer of the Government the right to exercise any powers vested in the Government by this Regulation. Delegation of powers.

Trial of offences.

9. (1) No offence made punishable by this Regulation or by any rule made thereunder shall be tried by a court inferior to that of a Magistrate of the First Class.

(2) Prosecutions under this Regulation shall not be instituted except under the authority of a District Magistrate.

Bar of suit where acts are done in good faith.

10. No suit or other legal proceedings shall be instituted against any person in respect of anything which is in good faith done or intended to be done under this Regulation.

Power to make rules.

11. (1) The Government may make rules for the purpose of carrying into effect the provisions of this Regulation.

(2) In particular and without prejudice to the generality of the foregoing provisions such rules shall provide for—

(*a*) the levying of fees in respect of licenses granted under this Regulation,

(*b*) the conditions and limitations subject to which a license may be granted,

(*c*) the manner of fixing the prices at which sugar-cane shall be purchased by a factory, and,

(*d*) any matter which under this Regulation may be prescribed.

(3) Any rule made under this Regulation may provide that any contravention thereof or any of the conditions of the license issued or renewed thereunder shall be punishable with fine which may extend to two hundred rupees.

Statement of Objects and Reasons.

In view of the growth of sugar-cane cultivation in recent years and the increasing stimulus to the establishment of sugar factories, it is found necessary to take steps for the orderly development of sugar-cane production and of methods of securing the co-operation between the sugar-cane grower and the factory owner. As the area under sugar-cane in Mysore will largely increase, especially in the Irwin Canal Area, need is likely to arise in the near future for more factories. Government have therefore considered it desirable that some control should be exercised over the establishment of factories for ensuring

that the industry is organised as far as possible on lines which would make for its stability and for proper co-ordination of the interests of its agricultural and manufacturing sides and preventing unhealthy competition. The measures considered necessary for such control are principally the licensing of factories and the fixation of a minimum price at which sugar-cane shall be purchased by a factory, thus ensuring to agriculturists a reasonable price for their cane.

How many factories should be established in a particular tract and where they should be erected are matters of vital importance in the interests of both agriculture and manufacture, and over-crowding of factories with all its consequences, has to be prevented. The tariff on foreign sugar was imposed by the Government of India primarily to help the cane grower and it is an important duty of Government to intervene to see that the cane grower gets a reasonable value for his produce and that the benefit of the tariff reaches him. Since the factories also get the benefit of the protection, Government should have statutory power to demand the submission of information from the factories regarding their working.

To secure these objects, Government consider it expedient to introduce legislation for the fostering and development of the sugar industry in Mysore, to take power for the purpose of controlling and regulating factories engaged in the manufacture of sugar and for the safeguarding of the interests of sugar-cane growers and cultivators.

It is proposed to prohibit the establishment and maintenance of factories without license and empower the Government to license factories and to prescribe conditions in respect of the place where the factory is to be located, the area of its operation and the price or prices at which the factory should purchase the sugar-cane. Penalties are provided for contravention of the provisions of this measure. Certain safeguards are also provided, such as previous sanction for prosecution under this law and the trial of cases thereunder by a First Class Magistrate.

Printed by the Superintendent at the Government Press.

142

Government of His Highness the Maharaja
of M y s o r e.
General and Revenue Secretariat.

No. P578 Bangalore, dated 2nd August 1934.

Official Memorandum.

A meeting of the Select Committee appointed to consider the Bill to provide for the - - fostering and development of the Sugar Industry and for safe-guarding sugar cane cultivators -- in Mysore will be held in the Chambers of the Second Member of Council, Public Offices, Bangalore at 1-30 p.m., on Tuesday the 21st August 1934.

By Order,

Secretary to the Select Committee.

Appendix F G—1]

SUBJECT 143

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Section

File No.

Serial No.

Diary No. of letter replied to ..... G. M. No. P578

To

General and Revenue Secretariat

( )

the *193* .

Date of issue .... 3.8.34 .....

Signed by ..... Mr C. S. I. .....

A meeting of the Select Committee appointed to consider the Bill to provide for the fostering and development of the Sugar Industry and for Safeguarding Sugar Cane Cultivators will be held in the Chambers of Second Member of Committee Public Offices, Bauzaar on 1-30 P.m on Tuesday the 21st August 1934

By Order

Secy to Govt &

List of enclosures ....

Copied by ....

Examined by ....

WD 01956—GPB—22,500—12-6-34

Copy to Members (2) C.C. for Secy making necessary entries & Chief Secy's Office & C.C. Office + (4) Asst Secys

to Members of the S.C. being under names of Members of H.E. Council

RAJASABHABHUSHANA
K. R. SRINIVASIENGAR
RETIRED MEMBER OF COUNCIL

FIFTH ROAD, CHAMARAJAPET

Bangalore City, 19/8/34

1144

Dear Sir

I regret I may not be able to attend the meeting of the Select Committee to consider the Sugar Industry Bill on Tuesday (21st inst) as I have to leave for Madras today on some urgent private business I shall try to be back on Tuesday morning but in case I am unavoidably prevented from doing so. I request to be excused from attending the meeting that day

Yours sincerely

To

The Secretary to the Legislative Council

Bangalore

P. O.

1415

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

I am feeling rotten and am afraid have to go home soon. I regret you will kindly excuse my absence at the meeting of the Select Committee this afternoon.

Yours truly

W.R.
11.8.34

Jeff Le

Sir.
21/8

Enclo

N. B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

WD 2085—GPB—2,000—26-4-33

Report of the Select Committee on the Sugar Industries Safeguarding Bill.

We, the undersigned members of the Select Committee to which the Bill to provide for the Development of the Sugar Industry and for -- Safeguarding the Interests of Sugarcane Cultivators was referred, have considered the Bill at the meeting held on 21st August 1934 and have now the honor to submit this our Report.

We have deleted the words "fostering and" from the title of the Bill as being redundant, and inserted the words "the interests of" after the word "safeguarding" so as to make the -- meaning clear.

In the preamble, we have inserted a comm after the word "expedient" and deleted the words "to provide".

Clause 2(a) Instead of the definition of "Sugar Factory" proposed in the Bill we have substituted the definition of the expression "Factory" as in the Sugar (Excise Duty) Regulation, for the sake of uniformity.

Clause 3. In regard to the definition of the expression "Sugar" a few of the members were at -- first of the opinion that the definition as in the Sugar(Excise Duty)Regulation ~~should~~ may be adopted and that the percentage of sucrose -- content ~~should~~ may be fixed as not less than 90%. It was pointed out ~~by the Chairman~~ that the definition ~~as~~ in the Bill, was advisedly framed in an elastic manner and ~~that a fixation~~ fixing the sucrose content at higher percentage may allow of loopholes for evasion, e.g., a factory may manufacture "raw" sugar

to prevent any evasion of its provisions

~~sugarcane and another factory may purchase the~~ "rab" and manufacture sugar therefrom. The former factory will not come under the perview of the Regulation as the percentage of sucrose in "rab" is not 90% and the latter factory will not be bound to pay the minimum price to the ~~S~~sugarcane growers as it does not purchase sugarcane for manufacturing sugar. ~~Thus~~ by separating the processes of manufacture, the provision intended for safeguarding the interests of the sugarcane growers may be ~~not~~ evaded ~~at nought~~. After considrrable discussion it was agreed by all that it was advisable to have an elastic definition enabling the Government to apply it to circumstances as they arise, and that the clause needs no change.

Sugar cane may be purchased by the manufacturer of Sugar or the latter may purchase 'rab'.

It is possible by

Clause 4. At the end of sub-clause (1), of clause 4 we have inserted the words "in a factory" so as to make the idea clear and in sub-clause (2), substituted the words "specify" and "matters" for the words "prescribe" and "things" respectively.

Clause 5. We have added the words "in a factory" after the words "manufacturing sugar" in sub-clause (1) of clause 5 and recast sub-clause (2) as follows:-

"(2). The decision of the Government whether a license may or may not be granted shall be final".

In sub-clause (2) of clause ~~11~~ 11 we have substituted the words "powers" and "may" for the words "provisions" and "shall --- respectively",

Clause 11.

consider that the Government should

mendations of Advisory Committees, and that the Government should have the power to frame rules for establishing such Committees and defining their powers etc. For this purpose we have substituted the following for sub-clause (2) (c) of clause 11.

"(c) establishing of Advisory Committees for the purpose of fixing the price or prices at which sugarcane shall be purchased by a factory and defining the powers, functions and procedure of such committees."

We are of opinion that the general power referred to under sub-clause (2) (d) is already provided under sub-~~section~~ clause (1) and have therefore deleted sub-clause (2) (d). It is necessary to provide the power to frame rules for prescribing records, registers etc., to be maintained by owners of factories, and we have accordingly inserted the following as sub-~~xxxx~~ clause (2) (d).

"(d) the records, registers and accounts to be maintained for ensuring compliance with the provisions of this Regulation."

We have also made a few changes of a ~~verbal~~ character and consider them unnecessary to be mentioned here.

We recommend that the Bill as amended

fix the price or prices at which sugarcane shall be purchased by a factory on the recommendations of Advisory Committees, and that the Government should have the power to frame rules for establishing such Committees and defining their powers etc. For this purpose, we have substituted the following for sub-clause (2) (c) of clause 11.

"(c) establishing of Advisory Committees for the purpose of fixing the price or prices at which sugarcane shall be purchased by a factory and defining the powers, functions and procedure of such committees."

We are of opinion that the general power referred to under sub-clause (2) (d) is already provided under sub-~~section~~ clause (1) and have therefore deleted sub-clause (2) (d). It is necessary to provide the power to frame rules for prescribing records, registers etc., to be maintained by owners of factories, and we have accordingly inserted the following as sub-~~xxxx~~ clause (2) (d).

"(d) the records, registers and accounts to be maintained for ensuring compliance with the provisions of this Regulation."

We have also made a few changes of a verbal character and consider them unnecessary to be mentioned here.

We recommend that the Bill as amended

by

by us may be republished.

Bangalore.

August 1934.

Messrs. K.R. Srinivasa Iyengar and M. Venkatanaranappa were unable to be present at the meeting.

D. O. No. P/1260-66 GENERAL AND REVENUE SECRETARIAT, 150

Dated, Bangalore 5th Sept. 1934.

6

Dear Sir,

I enclose herewith the draft of a report of the Select Committee appointed to consider the Sugar Industries Safeguarding Bill and request that the same may kindly be returned with your approval within a week.

Yours sincerely,

C

151

D. O. No. P.1260-66 GENERAL AND REVENUE SECRETARIAT,
(Ext. PP-1-3)

Dated, Bangalore 5th Sept. 1934.

6

Dear Sir,

I enclose herewith the draft of a report of the Select Committee appointed to consider the Sugar Industries Safeguarding Bill and request that the same may kindly be returned with your approval within a week.

Yours sincerely,

To

R. Ranga Rao, Esq., B.A., B.L.,
Chief Secretary to the Government of Mysore.

I agree. Rao
7/9/34

6-7/8

Report of the Select Committee on the Sugar Industries Safeguarding Bill.

We, the undersigned members of the Select Committee to which the Bill to provide for the Development of the Sugar Industry and for Safeguarding the Interests of Sugarcane ~~cultivators~~ cultivators was referred, have considered the Bill at the meeting held on 21st - - - - August 1934 and have now the honor to submit this our Report.

We have deleted the words "festering and" from the title of the Bill as being redundant, and inserted the words "the interests of" after the word "safeguarding" so as to make the meaning clear.

In the preamble, we have inserted a comma after the word "expedient" and deleted the words "to provide

Clause 2(a)

Instead of the definition of "sugar factory" proposed in the Bill we have substituted the definition of the expression "factory" as in the Sugar (Excise Duty) Regulation, for the sake of uniformity.

Clause 3.

In regard to the definition of the expression "Sugar" a few of the members were at first of the opinion that the definition as in the Sugar (Excise Duty) Regulation may be adopted and that the percentage of sucrose content may be fixed as not less than 90%. It was pointed out that the definition the Bill, was advisedly framed in an elastic manner so as to prevent any evasion of its provisions. Sugar cane may be purchased by the manufactories of Sugar or the latter may purchase 'rab'. It is possible by separating the processes of manufacturing and carrying them out in different factories the provision intended for safeguarding the interests of the sugarcane growers may be ~~ex~~ evaded

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"(d) the records, registers and accounts to be maintained for ensuring compliance with t he provisions of this Regulation."

We have also made a few changes of a verbal character and consider them unnecessary to be mentioned here.

We recommend that the Bill as amended by us be republished.

Bangalore,

1934.

Messrs. K.R.Srinivasa Iyengar and M.Venkatanaranappa were unable to be present at the meeting.

1464 934

Mr. N. MADHAVA RAO, B.A., B.L.,
Revenue Commissioner.

NEW PUBLIC OFFICES,

Dated Bangalore, 8th Sept. *1934.*

D.O. 37 /Leci: one
34-35

Dear Sir,

With reference to your D.O. letter No. P.1260-66 dated 5/6th September 1934, I write to inform you that I agree to the draft report of the Select Committee on the Sugar Industries Safeguarding Bill, and return the same herewith with my signature.

Yours sincerely,

N. Madhava Rao

C. Subrahmanya Aiyar Esq., B.A.,B.L.,
Secretary, Mysore Legislative Council.

Report of the Select Committee on the Sugar Indus

Safeguarding Bill.

157

We, the undersigned members of the Select Committee to which the Bill to provide for the Development of the Sugar Industry and for Safeguarding the Interests of Sugarcane ~~xxxxxxxxxx~~ cultivators was referred, have considered the Bill at the meeting held on 21st - - - - August 1934 and have now the honor to submit this our Report.

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157

After considerable discussion it was agreed by all that it was advisable to have an elastic definition enabling the Government to apply it to circumstances as they arise, and that the clause needs no change.

At the end of sub-clause (1), of clause 4 we have inserted the words "in a factory" so as to make the idea clear and in sub-clause (2), substituted the words "specify" and "matters" for the words "prescribe" and "things" respectively.

We have added the words "in a factory" after the words "manufacturing sugar" in sub-clause (1) of clause 5 and recast sub-clause (2) as follows:-

"(2). The decision of the Government whether a license may or may not be granted shall be final."

In sub-clause (2) of clause 11 we have substituted the words "powers" and "may" for the words "provisions" and "shall" respectively".

We consider that the Government should fix the price or prices at which sugarcane shall be purchased by a factory on the ~~ex~~ recommendations of Advisory Committees, and that the Government should have the power to frame rules for establishing such Committees and defining their powers &c. For this purpose, we have substituted the following for sub clause (2) (c) of clause 11.

"(c) establishing of Advisory Committees for the purpose of fixing the price or prices at which sugarcane shall be purchased by a factory and defining the powers, functions and procedure of such committees."

We are of opinion that the general power referred to under sub clause (2) (d) is already provided under sub-clause (1) and have therefore

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"(d) the records, registers and accounts to be maintained for ensuring compliance with t he provisions of this Regulation."

We have also made a few changes of a verbal character and consider them unnecessary to be mentioned here.

We recommend that the Bill as amended by us be republished.

N K Devadas Rau
8/9/32

Messrs. K.R.Srinivasa Iyengar and M.Venkatanaranappa were unable to be present at the meeting

K. T. BHASHYAM AIYANGAR, B.A., B.L.
ADVOCATE.

1505 P 34

50, Cottonpet,
BANGALORE CITY.
Date 2-9-34. 193

159

C. Subramanya Iyer, Esq., B.A.,B.L.,
Secretary, Legislative Department,
General & Revenue Secretariat,
Bangalore.

Dear Sir,

I enclose herewith the draft of the report of the Select Committee appointed to consider the Sugar industry Safe-guarding Bill after making necessary corrections which are of a merely formal character.

Thanking you,

Yours sincerely,

K T Bhashyam

Report of the Select Committee on the Sugar Industries Safeguarding Bill.

We, the undersigned members of the Select Committee to which the Bill to provide for the Development of the Sugar Industry and for Safeguarding the Interests of Sugarcane ~~xxxxxxxxxx~~ cultivators was referred, have considered the Bill at the meeting held on 21st August 1934 and have now the honor to submit this our Report.

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After considerable discussion it was agreed by all that it was advisable to have an elastic definition enabling the Government to apply it to circumstances as they arise, and that the clause needs no change.

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We have added the words "in a factory" after the words "manufacturing sugar" in sub-clause (1) of clause 5 and recast sub-clause (2) as follows:-

"(2). The decision of the Government whether a license may or may not be granted shall be final."

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1/6 2

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We have also made a few changes of a verbal character and consider them unnecessary to be mentioned here.

We recommend that the Bill as amended by us be republished.

Bangalore,

1934.

Messrs. K.R.Srinivasa Iyengar and M.Venkatanaranappa were unable to be present at the meeting.

Tels.—"INDUSCOM."

DEPARTMENT OF INDUSTRIES AND COMMERCE.

1503 834
1163

Director.

OFFICE OF THE DIRECTOR,

D. O. No. A1/34-35 Encl.

Bangalore, dated the 10th Septr. 34

Dear Sir,

I am returning herewith the draft report of the Select Committee appointed to consider the Sugar Industries Safeguarding Bill duly - signed.

Yours sincerely,

C. S. Subrahmanya Aiyar, Esq., B.A., B.L.,
Secretary, Sugar Select Committee,
Bangalore.

Report of the Select Committee on the Sugar Industries Safeguarding Bill. 164

We, the undersigned members of the Select Committee to which the Bill to provide for the Development of the Sugar Industry and for Safeguarding the Interests of Sugarcane ~~xxxxxxxxx~~ cultivators was referred, have considered the Bill at the meeting held on 21st - - - - August 1934 and have now the honor to submit this our Report.

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In regard to the definition of the expression "Sugar" a few of the members were at first of the opinion that the definition as in the Sugar (Excise Duty) Regulation may be adopted and that the percentage of sucrose content may be fixed as not less than 90%. It was pointed out that the definition in the Bill, was advisedly framed in an elastic manner so as to prevent any evasion of its provisions. Sugar cane may be purchased by the manufactories of Sugar or the latter may purchase 'rab'. It is possible by separating the processes of manufacturing and carrying them out in different factories the provision intended for safeguarding the interests of the sugarcane growers may be ~~xx~~ evaded.

After considerable discussion it was agreed by all that it was advisable to have an elastic definition enabling the Government to apply it to circumstances as they arise, and that the clause needs no change.

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166

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We have also made a few changes of a verbal character and consider them unnecessary to be mentioned here.

We recommend that the Bill as amended by us be republished.

8/9/34

Bangalore,

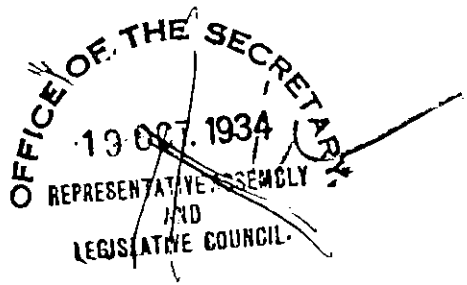
1934.

Messrs. K.R.Srinivasa Iyengar and M.Venkatanaranappa were unable to be present at the meeting.

K. CHENGALARAYA REDDY,
B. A., B. L., M. L. C.,
PRESIDENT, DISTRICT BOARD,
KOLAR DISTRICT.

KOLAR,

Dated 18-9-1934.



To

The Secretary

The Mysore legislature council

Bangalore.

Dear Sir,

I am forwarding herewith the report of the select committee on the Sugar Industry safeguarding Bill duly approved by me. I am sorry for the delay caused one to overright

I have the honour to remain, Sir,

Your most obedient servant,

K. Chengalaraya Reddy

1684

Report of the Select Committee on the Sugar Industries Safeguarding Bill.

We, the undersigned members of the Select Committee to which the Bill to provide for the Development of the Sugar Industry and for Safeguarding the Interests of Sugarcane ~~cultivators~~ cultivators was referred have considered the Bill at the meeting held on 21st August 1934 and have now the honor to submit this our Report.

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We recommend that the Bill as amended by us be republished.

K. Chengalaraya Reddy.

Bangalore,

1934.

Messrs. K.R.Srinivasa Iyengar and M.Venkataranappa were unable to be present at the meeting.

17/0(4) 934

S. C. MALLIAH, M.L.C.,
Somanahalli.

MADDUR P.O.]

20 - 9 - 1934.

Dear Sir,

With reference to your letter dated 19th inst. about approving the draft of a report of the Select Committee on the Sugar Industries Protection Bill I wish to inform that I approve of the same in toto.

Yours faithfully,

To
The Secretary
Legislative Council
Bangalore

P. SUBBARAMA CHETTY, M.L.C.
DIRECTOR, THE BANK OF MYSORE LTD.
MERCHANT & ML. COUNCILLOR.

CHICKPET,
Bangalore City, 21/9/34

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To
The Secretary,
Representative Assembly
&
Legislative Council
Bangalore

Reference letters 5/6 dt/6.9.34
of D1260-66, 68/69 dt/3.9.34
of the D.O D1470-2

Dear Sir,

I am sending herewith enclosed the draft-Co-op
of the Select-Committee
report of the Sugar Industry
Safeguarding Bill with

Very much appreciate your

Please acknowledge

receipt of this

Yours truly

P. Subramaniam

Report of the Select Committee on the Sugar Industries Safeguarding Bill.

We, the undersigned members of the Select Committee to which the Bill to provide for the Development of the Sugar Industry and for Safeguarding the Interests of Sugarcane cultivators was referred, have considered the Bill at the meeting held on 21st August 1934 and have now the honor to submit this our Report.

We have deleted the words "fostering and" from the title of the Bill as being redundant, and inserted the words "the interests of" after the word "safeguarding" so as to make the meaning clear.

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After considerable discussion it was agreed by all that it was advisable to have an elastic definition enabling the Government to apply it to circumstances as they arise, and that the clause needs no change.

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176

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We recommend that the Bill as amended by us be republished.

Bangalore,

1934.

Messrs. K.R.Srinivasa Iyengar and M.Venkatanaranappa were unable to be present at the meeting.

I approve of the report of the committee a general.
Re - constitution of advisory committee
I think that not less than the half
the members should be non-official

P.T.O.

P Subbarayan

Re - Injunction of Sugar

I think that Sir Horace Rumbold

would be best

P. Gentz Barrington

21/9/34

NOTIFICATION.

No. Rl. 105—L. C., 1-34-3, Bangalore,
dated 11th October 1934.

Under Standing Order No. 49 of the Standing Orders for the conduct of business of the Mysore Legislative Council, the following report of the Select Committee on the Sugar Industries Safeguarding Bill is published for general information.

By Order,
C. SUBRAHMANYA AIYAR
Secretary,
Mysore Legislative Council.

Report of the Select Committee on the Sugar Industries Safeguarding Bill.

We, the undersigned members of the Select Committee to which the Bill to provide for the development of the sugar industry and for safeguarding the interests of sugarcane cultivators was referred, have considered the Bill at the meeting held on the 21st August 1934 and have now the honor to submit this our Report.

We have deleted the words "fostering and" from the title of the Bill as being redundant, and inserted the words "the interests of" after the word "safeguarding" so as to make the meaning clear.

In the preamble, we have inserted a comma after the word "expedient" and deleted the words "to provide."

Clause 2 (a). Instead of the definition of sugar factory proposed in the Bill we have substituted the definition of the expression "factory" as in the Sugar (Excise duty) Regulation, for the sake of uniformity.

Clause 3. In regard to the definition of the expression "sugar" a few of the members were at first of the opinion that the definition as in the Sugar (Excise Duty) Regulation may be adopted and that the percentage of sucrose content may be fixed as not less than 90 per cent. It was pointed out that the definition in the Bill, was advisedly framed in an elastic manner so as to prevent any evasion of its provisions. Sugarcane may be purchased by the manufacturers of sugar or they may purchase 'rab.' It is possible by separating the processes of manufacturing and carrying them out in different factories, the provision intended for safeguarding the interests of the sugarcane growers may be evaded. After considerable discussion it was agreed by all that it was advisable to have an elastic definition enabling the Government to apply it to circumstances as they arise, and that the clause needs no change.

Clause 4. At the end of sub-clause (1) of clause (4) we have inserted the words "in a factory" so as to make the idea clear and in sub-clause (2) substituted the words "specify" and "matters" for the words "prescribe" and "things" respectively.

Clause 5. We have added the words "in a factory" after the words "manufacturing sugar" in sub-clause (1) of clause (5) and recast sub-clause (2) as follows:—

"(2) The decision of the Government whether a license may or may not be granted shall be final."

Clause 11. In sub-clause (2) of clause 11 we have substituted the words "powers" and "may" for the words "provisions" and "shall" respectively.

We consider that the Government should fix the price or prices at which sugarcane shall be purchased by a factory on the recommendations of advisory committees and that the Government should have the power to frame rules for establishing such committees and defining their powers, etc. For this purpose, we have substituted the following for sub-clause (2) (*c*) of clause 11.

179

"(*c*) the establishing of advisory committees for the purpose of fixing the price or prices at which sugarcane shall be purchased by a factory and defining the powers, functions and procedure of such committees."

We are of opinion that the general power referred to under sub-clause (2) (*d*) is already provided under sub-clause (1) and have therefore deleted sub-clause (2) (*d*). It is necessary to provide the power to frame rules for prescribing records, registers, etc., to be maintained by owners of factories, and we have accordingly inserted the following as sub-clause (2) (*d*).

"(*d*) the records, registers and accounts to be maintained for ensuring compliance with the provisions of this Regulation."

We have also made a few changes of a verbal character and consider them unnecessary to be mentioned here.

We recommend that the Bill as amended by us be republished.

S. P. RAJAGOPALACHARI (*Chairman*).
N. MADHAVA RAU
R. RANGA RAO.
A. V. RAMANATHAN.
K. T. BHASHYAM AIYANGAR.
S. C. MALLIAH.
K. CHENGALARAYA REDDY.
P. SUBBARAMA CHETTY.
(Signed subject to the note appended). *

** ** **

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* Note by Mr. P. Subbarama Chetty.

Regarding the constitution of advisory committees, I think that not less than half the number should be non-official.

** *Rajasabhabhushana* K. R. Srinivasa Iyengar and Mr. M. Venkatanaranappa were unable to be present at the meeting

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[N.B.—*Portions omitted* by the Select Committee are enclosed in square brackets and portions added are printed in italics.]

Bill as amended by the Select Committee.

A BILL TO PROVIDE FOR THE [FOSTERING AND] DEVELOPMENT OF THE SUGAR INDUSTRY AND FOR SAFEGUARDING *THE INTERESTS OF* SUGARCANE CULTIVATORS IN MYSORE.

Preamble.

WHEREAS it is expedient [to provide] for the fostering and development of the sugar industry in Mysore, to take power for the purpose of controlling and regulating factories engaged in the manufacture of sugar and for the safeguarding of the interests of sugarcane growers and cultivators; It is hereby enacted as follows:—

Short title, extent and commencement.

1. (1) This Regulation may be called the Sugar Industries Safeguarding Regulation, 193 .

(2) It extends to the whole of Mysore.

(3) It shall come into force in such local areas and from such dates, as the Government may, by notification in the official Gazette, direct.

Definitions.

2. In this Regulation, unless there is anything repugnant in the subject or context,—

(*a*) ['sugar factory' means any factory as defined in the Mysore Factories Regulation, 1914, in which sugar is manufactured and wherein not less than twenty persons are simultaneously employed on any one day in the year;] "*factory*" *means any premises wherein or within the precincts of which, twenty or more workers are working or were working on any day of the preceding twelve months, and in any part of which any manufacturing process connected with the production of sugar is being carried on or is ordinarily carried on with the aid of power*;

(*b*) 'license' means a license granted under this Regulation and 'licensed' and 'licensee' have corresponding meanings; and

(*c*) 'prescribed' means prescribed by rules made under this Regulation.

Definition of sugar.

3. The Government may, by general or special order, declare for the purposes of this Regulation what articles

or substances containing any saccharine matter shall be deemed to be sugar.

Licensing manufacture of sugar.

4. (1) It shall be lawful for the Government to grant to any person or persons on such conditions and for such periods as may seem fit licenses for the manufacture of sugar *in a factory*.

(2) Such conditions may [prescribe] *specify* among other [things] *matters* the place where the factory is to be located, the area within which the operations of the factory should extend and the price or prices at which the factory shall purchase sugarcane.

(3) The Government shall have the power to frame rules for fixing the price or prices at which sugarcane shall be purchased by a factory.

Prohibition against the establishment and maintenance of factories without a license.

5. (1) It shall not be lawful for any person after the expiration of three months from the coming into force of this Regulation to carry on the business of manufacturing sugar *in a factory* except under the authority and subject to the terms and conditions of a license granted in accordance with the provisions of this Regulation.

(2) The decision of the Government whether [or not] a license may *or may not* be granted shall be final.

Power to require information and for inspection of documents.

6. (1) The Government may by general or special order require the applicant for a license or a licensee or any person who, being a director, partner, proprietor, manager or *any* officer of [any] a factory, is able to give any information as to the constitution, control or management of the factory or the business carried on in the factory, to furnish such information within such time as may be specified in the order.

(2) Any person authorised by the Government in this behalf may, for the purpose of verifying or obtaining information of the nature referred to in sub-section (1), inspect any books and documents belonging to or under the control of such factory, the inspection of which may be reasonably required for the said purpose.

Power to make rules requiring returns.

(3) The Government may by notification in the official Gazette, make rules requiring the owners of sugar factories in Mysore to make such returns relating to the production of sugar in their factories as the Government may consider to be desirable, prescribing the form of such returns, the dates of their submission and the authority to which they shall be submitted.

Penalties.

7. (1) Whoever contravenes the provisions of section 5 shall be punishable with fine which may extend to one thousand rupees and in the case of a continued contravention with a further fine which may extend to one hundred rupees for every day during which the contravention is continued after conviction therefor.

(2) Any person who—

(*a*) refuses or neglects to furnish any information which by an order under section 6 is required to be furnished within the time specified in such order or knowingly furnishes any such information which is false in any material particulars,

(*b*) having the custody of any book or document which a person is authorised to inspect under section 6 refuses or neglects to produce the book or document for inspection, or

(*c*) fraudulently uses or permits to be fraudulently used any license issued under this Regulation,

shall be punishable with fine which may extend to two hundred rupees.

(3) Where the person guilty of an offence under this Regulation is—

(*a*) an association or firm, every partner, member, manager or secretary and other officer thereof who is knowingly a party to the default, and

(*b*) a company, every director, manager, secretary and other officer thereof who is knowingly a party to the default,

shall also be guilty of the like offence and liable to the like punishment.

Delegation of powers.

8. Government may delegate to the District Magistrate or other officer of the Government the right to exercise any powers vested in the Government by this Regulation.

Trial of offences.

9. (1) No offence made punishable by this Regulation or by any rule made thereunder shall be tried by a court inferior to that of a Magistrate of the First Class.

(2) Prosecutions under this Regulation shall not be instituted except under the authority of a District Magistrate.

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10. No suit or other legal proceedings shall be instituted against any person in respect of anything which is in good faith done or intended to be done under this Regulation. Bar of suit where acts are done in good faith.

11. (1) The Government may make rules for the purpose of carrying into effect the provisions of this Regulation. Power to make rules.

(2) In particular and without prejudice to the generality of the foregoing [provisions] *powers* such rules [shall] *may* provide for—

(*a*) the levying of fees in respect of licenses granted under this Regulation,

(*b*) the conditions and limitations subject to which a license may be granted,

(*c*) [the manner of fixing the prices at which sugarcane shall be purchased by a factory], ~~and~~ *the establishing of advisory committees for the purpose of fixing the price or prices at which sugarcane shall be purchased by a factory and defining the powers, functions and procedure of such committees,* and

(*d*) [(d) any matter which under this Regulation may be prescribed] *the records, registers and accounts to be maintained for ensuring compliance with the provisions of this Regulation.*

(3) Any rule made under this Regulation may provide that any contravention thereof or any of the conditions of the license issued or renewed thereunder shall be punishable with fine which may extend to two hundred rupees.

Printed by the Superintendent at the Government Press, Bangalore.

Bill as finally passed

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[N.B.—*Portions omitted* by the Select Committee are enclosed in square brackets and portions added are printed in italics.]

Bill as amended by the Select Committee.

A BILL TO PROVIDE FOR THE ~~[FOSTERING AND~~] DEVELOPMENT OF THE SUGAR INDUSTRY AND FOR SAFEGUARDING *THE INTERESTS OF* SUGARCANE CULTIVATORS IN MYSORE.

Preamble.

WHEREAS it is expedient ~~[to provide]~~ for the fostering and development of the sugar industry in Mysore, to take power for the purpose of controlling and regulating factories engaged in the manufacture of sugar and for the safeguarding of the interests of sugarcane growers and cultivators; It is hereby enacted as follows:—

Short title, extent and commencement.

1. (1) This Regulation may be called the Sugar Industries Safeguarding Regulation, 193 .

(2) It extends to the whole of Mysore.

(3) It shall come into force in such local areas and from such dates, as the Government may, by notification in the official Gazette, direct.

Definitions.

2. In this Regulation, unless there is anything repugnant in the subject or context,—

(*a*) ~~['sugar factory' means any factory as defined in the Mysore Factories Regulation, 1914, in which sugar is manufactured and wherein not less than twenty persons are simultaneously employed on any one day in the year;]~~ *"factory" means any premises wherein or within the precincts of which, twenty or more workers are working or were working on any day of the preceding twelve months, and in any part of which any manufacturing process connected with the production of sugar is being carried on or is ordinarily carried on with the aid of power*;

(*b*) 'license' means a license granted under this Regulation and 'licensed' and 'licensee' have corresponding meanings; and

(*c*) 'prescribed' means prescribed by rules made under this Regulation.

Definition of sugar.

3. The Government may, by general or special order, declare for the purposes of this Regulation what articles

"(*c*) the establishing of advisory committees for the purpose of fixing the price or prices at which sugarcane shall be purchased by a factory and defining the powers, functions and procedure of such committees."

We are of opinion that the general power referred to under sub-clause (2) (*d*) is already provided under sub-clause (1) and have therefore deleted sub-clause (2) (*d*). It is necessary to provide the power to frame rules for prescribing records, registers, etc., to be maintained by owners of factories, and we have accordingly inserted the following as sub-clause (2) (*d*).

"(*d*) the records, registers and accounts to be maintained for ensuring compliance with the provisions of this Regulation."

We have also made a few changes of a verbal character and consider them unnecessary to be mentioned here.

We recommend that the Bill as amended by us be republished.

S. P. RAJAGOPALACHARI (*Chairman*).
N. MADHAVA RAU
R. RANGA RAO.
A. V. RAMANATHAN.
K. T. BHASHYAM AIYANGAR.
S. C. MAILLIAH.
K. CHENGALARAYA REDDY.
P. SUBBARAMA CHETTY.
(Signed subject to the note appended). *

** ** **

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* Note by Mr. P. Subbarama Chetty.

Regarding the constitution of advisory committees, I think that not less than half the number should be non-official.

** *Rajasabhabhushana* K. R. Srinivasa Iyengar and Mr. M. Venkatanaranappa were unable to be present at the meeting

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or substances containing any saccharine matter shall be deemed to be sugar.

Licensing manufacture of sugar.

4. (1) It shall be lawful for the Government to grant to any person or persons on such conditions and for such periods as may seem fit licenses for the manufacture of sugar *in a factory*.

(2) Such conditions may ~~[prescribe]~~ *specify* among other ~~[things]~~ *matters* the place where the factory is to be located, the area within which the operations of the factory should extend and the price or prices at which the factory shall purchase sugarcane.

(3) The Government shall have the power to frame rules for fixing the price or prices at which sugarcane shall be purchased by a factory.

Prohibition against the establishment and maintenance of factories without license.

5. (1) It shall not be lawful for any person after the expiration of three months from the coming into force of this Regulation to carry on the business of manufacturing sugar *in a factory* except under the authority and subject to the terms and conditions of a license granted in accordance with the provisions of this Regulation.

(2) The decision of the Government whether [or not] a license may *or may not* be granted shall be final.

Power to require information and for inspection of documents.

6. (1) The Government may by general or special order require the applicant for a license or a licensee or any person who, being a director, partner, proprietor, manager or *any* officer of ~~[any]~~ a factory, is able to give any information as to the constitution, control or management of the factory or the business carried on in the factory, to furnish such information within such time as may be specified in the order.

(2) Any person authorised by the Government in this behalf may, for the purpose of verifying or obtaining information of the nature referred to in sub-section (1), inspect any books and documents belonging to or under the control of such factory, the inspection of which may be reasonably required for the said purpose.

Power to make rules requiring returns.

(3) The Government may by notification in the official Gazette, make rules requiring the owners of sugar factories in Mysore to make such returns relating to the production of sugar in their factories as the Government may consider to be desirable, prescribing the form of such returns, the dates of their submission and the authority to which they shall be submitted.

Penalties.

7. (1) Whoever contravenes the provisions of section 5 shall be punishable with fine which may extend to one thousand rupees and in the case of a continued contravention with a further fine which may extend to one hundred rupees for every day during which the contravention is continued after conviction therefor.

(2) Any person who—

(*a*) refuses or neglects to furnish any information which by an order under section 6 is required to be furnished within the time specified in such order or knowingly furnishes any such information which is false in any material particulars,

(*b*) having the custody of any book or document which a person is authorised to inspect under section 6 refuses or neglects to produce the book or document for inspection, or

(*c*) fraudulently uses or permits to be fraudulently used any license issued under this Regulation,

shall be punishable with fine which may extend to two hundred rupees.

(3) Where the person guilty of an offence under this Regulation is—

(*a*) an association or firm, every partner, member, manager or secretary and other officer thereof who is knowingly a party to the default, and

(*b*) a company, every director, manager, secretary and other officer thereof who is knowingly a party to the default,

shall also be guilty of the like offence and liable to the like punishment.

Delegation of powers.

8. Government may delegate to the District Magistrate or other officer of the Government the right to exercise any powers vested in the Government by this Regulation.

Trial of offences.

9. (1) No offence made punishable by this Regulation or by any rule made thereunder shall be tried by a court inferior to that of a Magistrate of the First Class.

(2) Prosecutions under this Regulation shall not be instituted except under the authority of a District Magistrate.

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Bar of suit where acts are done in good faith.

10. No suit or other legal proceedings shall be instituted against any person in respect of anything which is in good faith done or intended to be done under this Regulation.

Power to make rules.

11. (1) The Government may make rules for the purpose of carrying into effect the provisions of this Regulation.

(2) In particular and without prejudice to the generality of the foregoing ~~[provisions]~~ *powers* such rules ~~[shall]~~ *may* provide for—

(*a*) the levying of fees in respect of licenses granted under this Regulation,

(*b*) the conditions and limitations subject to which a license may be granted,

(*c*) ~~[the manner of fixing the prices at which sugarcane shall be purchased by a factory]~~ ~~, and~~ *the establishing of advisory committees for the purpose of fixing the price or prices at which sugarcane shall be purchased by a factory and defining the powers, functions and procedure of such committees,* and

(*d*) ~~[(d) any matter which under this Regulation may be prescribed]~~ *the records, registers and accounts to be maintained for ensuring compliance with the provisions of this Regulation.*

(3) Any rule made under this Regulation may provide that any contravention thereof or any of the conditions of the license issued or renewed thereunder shall be punishable with fine which may extend to two hundred rupees.

Printed by the Superintendent at the Government Press, Bangalore.

G. R. S. VI.—s-III/14]

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DRAFT.

SUBJECT..... Sugar Industry Regulation

..... IV of 1934

.....

Section. Leg.
File No. 47-36
Serial No. 1

Diary No. of letter replied to.....

Proceedings of the Government of H. H. the Maharaja of Mysore.

Order No. P 3341 Draft Encl. of Rep.

GENERAL AND REVENUE SECRETARIAT,

( )

, *the*.....191 .

via Mysore

Date of issue.....5/1/35.....

Signed by.....

Ordered that the accompanying Regulation for the development of the sugar industry and for safeguarding the interests of sugarcane cultivators which received the assent of His Highness the Maharaja, on the 31st day of December 1934 be published as Regulation No. IV of 1934, in the *Mysore Gazette* for general information.

Secretary to Government-General Dept.

May this be—

(i) Printed?

(ii) Treated as a standing order?

iii) Published in the "Gazette" English part?

iv) Translated?

(v) Placed at the disposal of the Press?

vi) Published in the "Gazette" Kannada part?

To

The Compiler, *Mysore Gazette*, for publication in Part IV of the Gazette, in English and Kannada and for supply of .....spare copies in English, and .....spare copies in Kannada ~~to this office, and~~ as per 5.6 .....spare copies in English and.....spare copies in Kannada to the Curator, Government Central Book Depot, Bangalore. Proofs should be sent to this office for approval before publication.

Copy to the Translation Section

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REGULATION No. IV OF 1934.

(Received the assent of His Highness the Maharaja on the thirty-first day of December 1934.)

A Regulation to provide for the Development of the Sugar Industry and for safeguarding the interests of Sugarcane Cultivators in Mysore.

Price 0–0–9.

NOTIFICATION.

Order No. P. 3341—Legis. 47-34-1, dated Bangalore, 5th January 1935.

Ordered that the accompanying Regulation for the development of the Sugar Industry and for safeguarding the interests of sugarcane cultivators in Mysore which received the assent of His Highness the Maharaja, on the 31st day of December 1934, be published as Regulation No. IV of 1934, in the *Mysore Gazette* for general information.

S. ABDUL WAJID,
Secretary to Government,
General Department.

REGULATION No. IV OF 1934.

(Received the assent of His Highness the Maharaja on the thirty-first day of December 1934.)

A Regulation to provide for the Development of the Sugar Industry and for safeguarding the interests of Sugarcane Cultivators in Mysore.

Preamble. Whereas it is expedient for the fostering and development of the sugar industry in Mysore, to take power for the purpose of controlling and regulating factories engaged in the manufacture of sugar and for the safeguarding of the interests of sugarcane growers and cultivators; It is hereby enacted as follows:—

Short title, extent and commencement. 1. (1) This Regulation may be called the Sugar Industries Safeguarding Regulation, 1934.

(2) It extends to the whole of Mysore.

(3) It shall come into force in such local areas and from such dates, as the Government may, by notification in the official Gazette, direct.

Definitions. 2. In this Regulation, unless there is anything repugnant in the subject or context,—

(*a*) "factory" means any premises wherein or within the precincts of which, twenty or more workers are

working or were working on any day of the preceding twelve months, and in any part of which any manufacturing process connected with the production of sugar is being carried on or is ordinarily carried on with the aid of power;

(*b*) 'license' means a license granted under this Regulation and 'licensed' and 'licensee' have corresponding meanings; and

(*c*) 'prescribed' means prescribed by rules made under this Regulation.

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3. The Government may, by general or special order, declare for the purposes of this Regulation what articles or substances containing any saccharine matter shall be deemed to be sugar.

Licensing manufature of sugar.

4. (1) It shall be lawful for the Government to grant to any person or persons on such conditions and for such periods as may seem fit licenses for the manufacture of sugar in a factory.

(2) Such conditions may specify among other matters the place where the factory is to be located, the area within which the operations of the factory should extend and the price or prices at which the factory shall purchase sugarcane.

(3) The Government shall have the power to frame rules for fixing the price or prices at which sugarcane shall be purchased by a factory.

Prohibition against the establishment and maintenance of factories without a license.

5. (1) It shall not be lawful for any person after the expiration of three months from the coming into force of this Regulation to carry on the business of manufacturing sugar in a factory except under the authority and subject to the terms and conditions of a license granted in accordance with the provisions of this Regulation.

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(2) Any person authorised by the Government in this behalf may, for the purpose of verifying or obtaining information of the nature referred to in sub-section (1),

inspect any books and documents belonging to or under the control of such factory, the inspection of which may be reasonably required for the said purpose.

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(3) The Government may by notification in the official Gazette, make rules requiring the owners of sugar factories in Mysore to make such returns relating to the production of sugar in their factories as the Government may consider to be desirable, prescribing the form of such returns, the dates of their submission and the authority to which they shall be submitted.

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7. (1) Whoever contravenes the provisions of section 5 shall be punishable with fine which may extend to one thousand rupees and in the case of a continued contravention with a further fine which may extend to one hundred rupees for every day during which the contravention is continued after conviction therefor.

(2) Any person who—

(*a*) refuses or neglects to furnish any information which by an order under section 6 is required to be furnished within the time specified in such order or knowingly furnishes any such information which is false in any material particulars,

(*b*) having the custody of any book or document which a person is authorised to inspect under section 6 refuses or neglects to produce the book or document for inspection, or

(*c*) fraudulently uses or permits to be fraudulently used any license issued under this Regulation,

shall be punishable with fine which may extend to two hundred rupees.

(3) Where the person guilty of an offence under this Regulation is—

(*a*) an association or firm, every partner, member, manager or secretary and other officer thereof who is knowingly a party to the default, and

(*b*) a company, every director, manager, secretary and other officer thereof who is knowingly a party to the default,

shall also be guilty of the like offence and liable to the like punishment.

Delegation of powers.

8. The Government may delegate to the District Magistrate or other officer of the Government the right to exercise any powers vested in the Government by this Regulation.

Trial of offences.

9. (1) No offence made punishable by this Regulation or by any rule made thereunder shall be tried by a court inferior to that of a Magistrate of the First Class.

(2) Prosecutions under this Regulation shall not be instituted except under the authority of a District Magistrate.

Barr of suit where acts are done in good faith.

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Power to make rules.

11. (1) The Government may make rules for the purpose of carrying into effect the provisions of this Regulation.

(2) In particular and without prejudice to the generality of the foregoing powers such rules may provide for—

(*a*) the levying of fees in respect of licenses granted under this Regulation,

(*b*) the conditions and limitations subject to which a license may be granted,

(*c*) the establishing of advisory committees for the purpose of fixing the price or prices at which sugarcane shall be purchased by a factory and defining the powers, functions and procedure of such committees, and

(*d*) the records, registers and accounts to be maintained for ensuring compliance with the provisions of this Regulation.

(3) Any rule made under this Regulation may provide that any contravention thereof or any of the conditions of the license issued or renewed thereunder shall be punishable with fine which may extend to two hundred rupees.

MIRZA M. ISMAIL,
Dewan.

Printed by the Superintendent at the Government Press, Bangalore.

Our acknowledgments are due to all these persons for placing before us all aspects of the question under consideration.

5. The opinions furnished and the representations made to us cover almost the entire field of the Agriculturists' Relief Regulation, and the amendments suggested relate to almost every Section of the Regulation as detailed in the appended statement. As most of these amendments aimed either at enlarging or at restricting the scope of the Regulation and did not, therefore, fall within the terms of reference, we did not consider it necessary to examine all of them and have confined ourselves to only such of the amendments as are covered by, and have a material bearing on, the terms of reference.

6. The strongest argument adduced before us against the extension of the Regulation is that the drastic provisions of Section 14 of the Regulation prohibiting the creditor from proceeding against the immovable property of the agriculturists other than those mortgaged for the debt has placed the unsecured creditor entirely at the mercy of the debtor. His only means of recovering his money is by the attachment and sale of the moveable properties of the debtor. It is a matter of common knowledge that the class of agriculturists who come under the purview of the Regulation possess little or no moveable properties worth anything. The Civil Procedure Code has in Sections 60 and 61 exempted certain kinds o, moveable properties of the agriculturist-debtor from attachment and salef and such of the other moveables as the small agriculturist-debtor possesses are generally insignificant and could be easily transferred or kept out of the reach of the creditor. Even in respect of the attachment and sale of the crop grown on the debtor's land, Order 38, Rule 12, Civil Procedure Code, prevents attachment before judgment of agricultural produce and the debtor can easily frustrate the attachment either by alienating the properties themselves or by entering into long leases of the properties so that the crops may not be available to the creditors. It is urged and with great force that there is no reason why an unsecured creditor should be prohibited from bringing to sale in execution of his decree the immovable properties of the debtor, while the latter is left free to alienate them to third persons in derogation of the equities in favour of the creditor. It is stated that in the circumstances mentioned above, settlements of debts out of court have become uncommon and that even the honest agriculturist-debtors have been tempted to defy the creditors and to drive them to court with the result that the recovery of the debts is either indefinitely postponed or defeated altogether. The long period which may be allowed by the court for the payment of the decree amount by instalments and the absence of adequate provision to enforce the payment of the instalments as they fall due has also been represented as hindering the due recovery of the debts even when they are secured and to operate as a hardship, particularly in the case of money-lenders who have invested all their money in granting loans or who may have been carrying on this profession from moneys borrowed from others.

7. In view of the disadvantages referred to above, the creditors are said to be more anxious to recover their old dues than to lend afresh. Even small loans for the direst necessities of the agriculturists are reported to have become difficult to obtain. Securities are invariably demanded for all borrowings and loans can be had only on the pledge of either moveable property or on the mortgage of immovable property. Documents for much larger amounts than those actually advanced are said to be prevalent. Even in the case of transactions intended to operate as mortgages, some creditors are stated to be insisting on the outright sale of the property in order to avoid the possibility of having to accept payment in instalments which the court can grant in decrees for mortgage debts. One of the witnesses has stated that with a view to avoid the transactions being

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reopened in courts, suits for amounts to be advanced are being filed and decrees by consent obtained before the loan is actually granted. There is a general concensus of opinion, though a few persons have expressed themselves otherwise, that as the result of the drastic provisions of the Regulation referred to above, the credit of the agriculturists is greatly curtailed, with the result that they are finding it increasingly difficult to obtain even small loans required to meet their urgent and unavoidable demands. This opinion was fully supported by the deputation of the Malnad agriculturists who gave oral evidence before us and they had no objection whatever to concede to the unsecured creditor also the right to proceed against the immovable properties of the debtor, as they consider that this will not materially prejudice the honest debtor who has no desire to deprive his creditor of his dues under the cover of the Regulation.

8. The Deccan Agriculturists' Relief Act on which our Regulation was mainly based was passed soon after a serious agrarian trouble, when the consequences of the drastic provisions referred to above in respect of unsecured debts could not have been foreseen. But even under this Act, power is given under Section 22 for the court to direct the collector to take possession of the immovable properties of the judgment-debtor for the benefit of the decree-holder under certain conditions. The necessity for giving adequate protection to the unsecured creditor has now come to be generally recognised and the United Provinces' Bill which has been passed by the Legislative Council of the province and is said to be awaiting the sanction of the Governor makes suitable provision in this respect.

9. With the above observations, we shall now proceed to deal with the several amendments to our Regulation that have been suggested to, and that are proposed by us.

Section 2 of the Regulation.—Almost every person consulted has taken exception to the definition of the term agriculturist as contained in Section 2 of the Regulation, some—representing agriculturists—being for widening the scope of the definition, while others—representing creditors—are for restricting it. It is also brought to our notice that it is not clear whether the term "income" used in the definition represents gross or net income. We are advised that "income" without any qualifying expression means gross and not net income. The determination of the income—whether gross or net—is said to necessitate the taking of evidence entailing considerable delay in the determination of the preliminary issue regarding the status of the debtor. A definition based on the acreage or assessment of the debtor's property has been suggested to us as simpler and more easily workable. But this has equally its disadvantages and defects. Having considered all aspects of the question, we think that the present definition is least objectionable and that it does not require any alteration.

10. Sections 11 and 12 of the Regulation empower the courts to order the payment of the decree amount by instalments extending over a period not exceeding eight years unless in the opinion of the court a longer period is necessary. The provision regarding the grant of instalments is not new; and even before the enactment of this Regulation, the courts had the power to order payment by instalments in the case of money decrees under Order XX, Civil Procedure Code. This provision has been criticised from opposite sides. Some persons have suggested that the maximum period should in no case be as long as eight years and that in any case the courts should have no power to enlarge this period under any circumstances. On the other hand, it has also been represented that the courts have not been sufficiently liberal in fixing the period for payment, and that the period should be raised to sixteen years. In our view, the existing provision in this behalf is generally suitable; but we think it is desirable that the considerations to be borne in view in fixing the number of instalments should be definitely laid down so as to afford less scope for

a variety of practice in the several Courts. We would, accordingly, suggest that a new section may be added as section 12 A laying down that in fixing the instalments under Sections 11 and 12, the courts should be required to take into consideration the period that the loan has been outstanding and also the repaying capacity of the judgment-debtor.

11. Sections 11 and 12 as at present enacted empower the courts to deny future interest when ordering payment by instalments. We consider that while the court may have power to fix the rate of future interest at such moderate rate as it may consider proper with due regard to all the circumstances, it should not be empowered to deny future interest altogether. We would, therefore, propose that both these sections might be modified so as to admit of future interest being allowed at a moderate rate at the discretion of the courts.

12. Our attention has been drawn to the absence of any provision regarding the procedure to be adopted in case of default of payment of the instalments by the debtor. While the Regulation provides that the amount may be ordered to be paid in instalments, the courts do not at present seem to have any power to direct that on default of payment of any one or more instalments, the whole of the remaining sum shall become due. The creditors are thus left without adequate remedy where the instalments remain unpaid, the attachment of movables and crops being often impossible or unavailing. We propose, therefore, that a new Section, somewhat similar to that contained in the United Provinces Bill be added as 12 B empowering the courts to direct that in the event of failure to pay two consecutive instalments the whole debt should become due and be recoverable by proceeding against the properties of the judgment-debtor.

13. The most important section to which our attention has been specially drawn is Section 14. As observed in paragraph 6 above, with the immovable property kept free from attachment and sale and with no restrictions placed on the debtor against alienating them to the prejudice of the creditors' interest, it is rightly apprehended that the recovery of unsecured debts is practically rendered impossible. For reasons which have already been given, we consider that while affording every possible protection to the honest agriculturists, provision should be made to prevent the unscrupulous debtor from alienating his immovable properties so as to defeat the creditors' interests. We suggest, therefore, that a clause be added to Section 14 so as to provide for security being demanded from the judgment-debtor for the regular payment of the instalments fixed by the Court and in case of his failure to furnish it, for ordering the attachment and sale of his immovable properties or declaring a charge thereon till the decree amount is fully paid up. It may be observed that with the amendments that we have suggested, the debtor will ordinarily enjoy all the protection that he now has under the Regulation, and it is only when a case is made out by the creditor for the attachment of his properties or for a charge being created on it that this will be ordered by the Court and that even then the debtor will be given an opportunity to furnish security before any such order is passed.

We also propose that for the words "immovable property" in line one of Section 14, the words "agricultural lands" may be substituted as there is no reason why non-agricultural properties such as houses other than the debtor's dwelling house which is exempt under the Civil Procedure Code, should be exempted from attachment and sale.

14. In view of the proposed removal of the exemption of immovable properties from attachment even in respect of unsecured debts, we consider that provision may be made also for the attachment of the properties before judgment and accordingly propose for the purpose a new clause to be added to Section 14 as clause (3).

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15. As a consequence of the amendment proposed by us above, we suggest that the words "or, by an order of Court" be inserted between "operation of law" and "or in favour of Government" in paragraph 2 of Section 20.

16. Under Section 74-A of the Deccan Agriculturists' Relief Act, the provisions of the Act are declared to be not applicable to any matter to which any Society registered under the Co-operative Credit Societies' Act is a party. The objects and reasons for providing this exemption are clearly explained in the proceedings of the Legislative Council of Bombay and we quote below the same. (*Vide* pages 351-352 of Gupte's Deccan Agriculturists' Relief Act.)

"The Co-operative Credit Societies have been started and one of the principal objects aimed at is to free cultivators from their old debts with usurious interests. They are thus bodies working in the best interests of the cultivating classes themselves. In the main object therefore, the institution of these societies aim at the same end as the Agriculturists' Relief Act, and the two measures ought to work without friction. The Societies were started not as rival bodies competing with the ordinary money-lenders but in the hope that they might be induced to invest their capital or part of it with these societies.

"It must be clear to every reasonable person that transactions which are entered into by these registered societies with their members under by-laws which have to be approved by a responsible government officer (the Registrar) need not be subjected to all the jealous scrutiny of the Deccan Agriculturists' Relief Act. There is always a guarantee that the interest charged by them on their transactions with their members will not be unreasonable or exorbitant. While therefore on the one hand agriculturists did not require to be protected from the registered societies, on the other hand the registered societies were fairly entitled to every assistance in the recovery of their just dues from fraudulent defaulters. It is intended by this Section to exempt all transactions between the Societies and their members from all the provisions of the Act except the beneficent provisions of Section 21 which prevent agriculturists from being arrested and imprisoned in the execution of money decrees against them. The by-laws framed show that there cannot be any scope for the suggestion of any grasping or inequitable features in the transactions and the removal of disabilities and restrictions at present imposed by the Act will, it is expected, only conduce to the healthy and vigorous development of rural societies. At the same time, it will serve to assist the process of building up a free and independent peasantry."

We entirely agree with the sentiments expressed in the above passage and consider that as the co-operative credit societies are intended to work in the interests of the agriculturists and their aim unlike that of many of the money-lenders is not to deprive the agriculturists of their holdings, it is desirable to provide for a similar exemption in respect of these societies from the operation of the Agriculturists' Relief Regulation.

Some of the Joint Stock Banks have also asked for a similar exemption but their cases are not on all fours with that of the co-operative institutions in that they all work for the benefit of the shareholders and are not controlled by the Government or its officers in regard to the interest charged, etc. We are, therefore, not in favour of recommending any exemption in favour of Joint Stock Banks.

Even in respect of Co-operative Societies, we consider it desirable that instead of exempting all of them generally from the operation of the Regulation, the Government should be empowered to exempt particular societies or classes of societies at their discretion so that this concession may be shown by them only to such of the societies as they consider to be deserving thereof by conforming to any conditions that may be imposed by them regarding the rate of interest charged by them to the agriculturists or other matters. We have accordingly suggested the insertion of a new Section as Section 25-A for this purpose.

17. As desired in our terms of reference, we have appended to this Report a draft Bill incorporting the amendments to the Regulation which we have recommended in the above paragraphs.

18. Before concluding, we desire to place on record the very valuable help rendered to us by the Secretary, Mr. S. K. Venkataramana Aiyar. It was no easy task for him, saddled as he simultaneously was with the heavy work of another important Committee, to study all the literature bearing on the subject, including similar enactments in force or in contemplation in other parts of India, analyse the mass of conflicting opinions contained in the large number of notes sent to us and present them to us in a readily accessible form; and he has performed this task with commendable willingness and thoroughness.

K. R. SRINIVASA IYENGAR.
N. MADHAVA RAU.
S. ABDUL WAJID.
A. R. NAGESVARA IYER.
S. VENKATKRISHNAIYA.
HOSAKOPPA KRISHNA RAO (subject to supplemental note attached).
M. RAMACHANDRA RAO SINDIA.
K. CHENGALARAYA REDDY.
K. SRIKANTAIYA.
S. C. MALLIAH.
MOHAMED ABBAS KHAN.

griculturists' Relief Regulation, 1928.

amend the Mysore Agriculturists' Relief acted as follows.—

1. In the second sentence of paragraph 2 of Section 11 (1) (of the Mysore Agriculturists' Relief Regulation, 1928) a full stop shall be inserted after the word "rate," and the words "unless, for reasons to be recorded in writing, it deems it unnecessary to do so" shall be omitted.

2. (*i*) In the first paragraph of Section 12 of the said Regulation, a full stop shall be inserted after the word "instalments" and the words "with or without interest" shall be omitted.

(*ii*) In the second paragraph of the same section, a full stop shall be inserted after the word "rate" and the words "unless for reasons to be recorded in writing, it deems it unnecessary to do so" shall be omitted.

3. The following shall be added as Sections 12-A and 12-B.—

12-A. In fixing the number of instalments to be allowed under Sections 11 and 12 of the Regulation, the Courts shall take into consideration the period during which the loan was outstanding and the repaying capacity of the judgment-debtor.

12-B. Whenever the Court orders payment by instalments it shall direct that in the event of default in the payment of any two consecutive instalments the decree-holder may immediately enforce payment of the whole amount then remaining due under the decree.

4. (*i*) In Section 14 of the said Regulation for the words "no immovable property" at the beginning of the sentence the words "Except as otherwise provided in clauses 2 and 3, no agricultural land" shall be substituted.

(*ii*) The following shall be added as paragraphs 2 and 3 of Section 14 of the Regulation, the existing paragraph being numbered as (1).

(2) The Court may, when passing a decree for money against an agriculturist after the Regulation comes into force or at any time during the course of execution of such decree, direct the judgment-debtor for sufficient cause to furnish security for the amount of the decree, and if he fails to furnish the security required, order the attachment and sale of any agricultural land belonging to the judgment-debtor or declare a charge against such land within the meaning of Section 100 of the Transfer of Property Regulation.

(3) The provisions relating to attachment before judgment contained in Rules 5 to 12 of Order 38 of the Civil Procedure Regulation, shall be applicable to suits under this Regulation.

5. In paragraph 2 of Section 20, after the words "operation of law," the words "or by an order of the Court under Section 14," shall be inserted.

6. The following shall be added as Section 25-A.—

25-A. The Government may, by notification in the Gazette, from time to time, direct that the provisions of this Regulation, except Sections 2 and 13, shall not apply to any matter to or in which any society or class of societies registered under the Co-operative Societies Regulation is a party, and may by a similar notification withdraw the exemption in respect of any such society or class of societies.

Supplemental note by Mr. Hosakoppa Krishna Rao.

A very large concession has been made by the indebted agriculturists agreeing to allow the unsecured creditors the right to proceed against the immovable properties of the debtors. In return for the concession, the creditors should be expected to be sufficiently liberal-hearted to allow the minimum number of annual instalments to be raised to at least 16, as that would minimise the chances of default by the debtors. It should be remembered that this minimum was fixed by law at a time when the price level was high and payments according to that cannot now be successfully made by the debtors. The main and the only consideration that should weigh with the court in fixing the number of instalments should be the repaying capacity of the debtor. Any other consideration as to how long the loan has been outstanding, etc., should not be the ground in this behalf. The courts should be empowered to direct in all cases at least sixteen instalments and be invested with discretion to raise the number of instalments in proportion to the amount payable annually and the income derived from the land, the object of such a provision being the affording of facilities for liquidation of the debt without injury to the corpus of the Estate.

WD 1475—GPB—300—21-5-35.

Proceedings of the Govt. of H. H.
the Maharaja of Mysore.

Read:-

Letter dated 18th February 1935 from the Chairman of the committee appointed by Government in their order No.P.1300-11/Legis. 20-34-2 dated 8th September 1934 to examine how far the extension of the Mysore Agriculturists' Relief Regulation to the whole - State has affected the credit of the agriculturists and to indicate, in what respects, if any, the Regulation requires to be - amended, forwarding the Report of the - committee together with the draft of a Bill embodying their recommendations.

Order No. P-6404-16 Legis 20-34
Dated 23/5/1935

The recommendations of the committee are as follows:-

(1) That a new provision be added laying down that in fixing instalments under Sections 11 and 12 of the Regulation the courts should be required to take into consideration the period that the loan has been outstanding and also the repaying - capacity of the judgment debtor;

2) that the existing power of courts to deny future interest in some cases when ordering payment by instalments should be modified so as to make it obligatory to allow future interest at a moderate rate in all such cases;

(3) that courts should be empowered to direct that in the event of failure to pay two consecutive instalments, the whole debt should become due and be recoverable.

(4) that exemption from attachment and sale in execution of a money decree should be limited to the agricultural land only of the debtor, and that other immovable properties should not be so exempt. Even in respect of agricultural land, the court should be empowered to order attachment and sale or declare a charge under certain circumstances.

(5) that Government should be empowered to exempt particular co-operative societies or classes of co-operative societies, at their discretion, from the operation of the provisions of the regulation.

The Government approve of the above recommendations subject to a slight modification in regard to (4) above. The committee have recommended that the Court may be empowered to order attachment and sale of the agricultural land of a debtor, if after notice to him he fails to furnish security for the decree amount. Government consider that this is somewhat drastic and goes against the underlying principle of this legislation that the land should be saved to an agriculturist-debtor. At the same time Government recognise that it is

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is necessary to give some protection t a creditor to whom payment is postponed by ordering instalments and prevent an unscrupulous debtor from alienating his land so as to defeat the creditor's - interest. Government consider, therefore, that the provision to order attachment and sale of the agricultural land or declare a charge thereon be limited to cases where payment by instalment is ordered and that the sale in pursuance of an attachment or charge should be ordered only when default is made in the payment of two consecutive instalments.

Action will be taken to introduce necessary amendments to the Regulation

The Government desire to convey their thanks to the Chairman Rajasabhabushana K. R. Srinivasa Iyengar, M.A. and the other members of the committee for - the thoroughness with which they have - completed the work entrusted to them and for the very valuable report and recommendations submitted by them.

General Secretary to Govt.

15/5/35

To

The Chairman and Members of the Comtte.

Print.

23/5/35

15/5/35

bnl.

Government of his highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. P. 6404-16—Legis. 20-34-7, dated 23rd May 1935.

Agriculturists' Relief Regulation.

Passes orders on the Report of the Committee appointed to consider the question of amending the —

READ—

Letter dated 18th February 1935, from the Chairman of the Committee appointed by Government, in their Order No. P. 1300-11—Legis. 20-34-2, dated the 8th September 1934, to examine how far the extension of the Mysore Agriculturists' Relief Regulation to the whole State has affected the credit of the agriculturists and to indicate in what respects, if any, the Regulation requires to be amended, forwarding the Report of the Committee together with the draft of a Bill embodying their recommendations.

ORDER No. P. 6404-16—LEGIS. 20-34-7, DATED BANGALORE, THE 23RD MAY 1935.

The recommendations of the Committee are as follows :—

(1) That a new provision be added laying down that in fixing instalments under Sections 11 and 12 of the Regulation, the courts should be required to take into consideration the period that the loan has been outstanding and also the repaying capacity of the judgment-debtor ;

(2) that the existing power of courts to deny future interest in some cases when ordering payment by instalments should be modified so as to make it obligatory to allow future interest at a moderate rate in all such cases ;

(3) that courts should be empowered to direct that in the event of failure to pay two consecutive instalments, the whole debt should become due and be recoverable ;

(4) that exemption from attachment and sale in execution of a money decree should be limited to the agricultural land only of the debtor, and that other immovable properties should not be so exempt. Even in respect of agricultural land, the court should be empowered to order attachment and sale or declare a charge under certain circumstances ;

(5) that Government should be empowered to exempt particular co-operative societies or classes of co-operative societies, at their discretion, from the operation of the provisions of the Regulation.

The Government approve of the above recommendations subject to a slight modification in regard to (4) above. The Committee have recommended that the court may be empowered to order attachment and sale of the agricultural land of a debtor, if after notice to him he fails to furnish security for the decree amount. Government consider that this is somewhat drastic and goes against the underlying principle of this legislation that the land should be saved to an agriculturist-debtor. At the same time, Government recognise that it is necessary to give some protection to a creditor to whom payment is postponed by ordering instalments and prevent an unscrupulous debtor from alienating his land so as to defeat the creditor's interest. Government consider, therefore, that the provision to order attachment and sale of the agricultural land or declare a charge thereon be limited to cases where payment by instalment is ordered and that the sale in pursuance of an attachment or charge should be ordered only when default is made in the payment of two consecutive instalments.

Action will be taken to introduce necessary amendments to the Regulation.

The Government desire to convey their thanks to the Chairman, *Rajasabhabhushana* K. R. Srinivasa Iyengar, M.A., and the other members of the Committee for the thoroughness with which they have completed the work entrusted to them and for the very valuable report and recommendations submitted by them.

H. V. RAMASVAMI,
Secretary to Government,
General Department.

To—The Chairman and the Members of the Committee.

Exd.—C. K.

WD 1878—GPB—425—24-5-35

G. R. S. VI.—S-III/14]

DRAFT. 74

SUBJECT.....

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.....

Section. Leg C
File No. 20-34
Serial No. 6

Diary No. of letter replied to.....

Proceedings of the Government of H. H. the Maharaja of Mysore.

Order No. P 4473 Leg I

GENERAL AND REVENUE SECRETARIAT, 13/1

( )

, *the*.....*191* .

Ordered that the accompanying Regulation to amend the Mysore Agriculturists' Relief Regulation, 1926, which received the assent of His Highness the Maharaja, on the 27th day of Dec 1935, be published as Regulation No. VII of 1935, in the *Mysore Gazette* for general information.

Date of issue 10/1/36

Signed by H. C. S. Iyr

General Secretary to Government.

May this be—

(i) Printed?

(ii) Treated as a standing order?

(iii) Published in the "Gazette" English part?

(iv) Translated?

(v) Placed at the disposal of the Press?

(vi) Published in the "Gazette" Kannada part?

To

The Compiler, *Mysore Gazette*, for publication in Part ~~III~~ IV of the Gazette, in English and Kannada and for supply of —— .....spare copies in English, and —— .....spare copies in Kannada ~~to this office~~ standing order to this office, and.....spare copies in English and.....spare copies in Kannada to the Curator, Government Central Book Depot, Bangalore. Proofs should be sent to this office for approval before publication.

Sd/- 10/1/36 Copy to Translator

Sd

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

75

~~Read~~

O r d e r No.

Dated, Bangalore, the 9th January 1936.

Ordered that the accompanying Regulation to amend the Mysore Agriculturists' Relief Regulation, 1928, which received the assent of His Highness the Maharaja, on the 27th day of December 1935, be published as Regulation No.VII of 1935, in the Mysore Gazette for general information.

For General Secretary to Government.

To

The Compiler, Mysore Gazette, for publication in Part IV of the Gazette, in English and Kannada and for supply of spare copies in English and spare copies in Kannada as per standing orders. Proofs should be sent to this office for approval before publication.

mk.

NOTIFICATION.

Order No. P. 4473—Legis. 20-34-8, dated Bangalore, the 9—10th January 1936.

Ordered that the accompanying Regulation to amend the Mysore Agriculturists' Relief Regulation, 1928, which received the assent of His Highness the Maharaja, on the 27th day of December 1935, be published as Regulation No. VII of 1935, in the *Mysore Gazette* for general information.

By Order,
M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

REGULATION VII OF 1935.

(*Received the assent of His Highness the Maharaja on the 27th day of December 1935*).

A Regulation to amend the Mysore Agriculturists' Relief Regulation XVIII of 1928.

Preamble. Whereas it is expedient to amend the Mysore Agriculturists' Relief Regulation, 1928; It is hereby enacted as follows:—

Short Title. This Regulation may be called the Mysore Agriculturists' Relief (Amendment) Regulation, 1935.

Amendment of Section 12. 2. The following shall be substituted for the first paragraph of Section 12 of the Regulation:—

"In passing a decree for money in any suit under this Regulation or in the course of any proceedings under a decree passed, whether before or after this Regulation comes into force, against an agriculturist, the Court may, on the application of either party, direct that any amount payable under that decree shall be paid by instalments."

Additions of new Sections 12-A and 12-B. 3. The following shall be added after Section 12 as Sections 12-A and 12-B:—

12-A. The instalments to be allowed under Sections 11 and 12 shall be annual, and in fixing the number of such instalments, the Court shall take into consideration among other matters, the period during which the